United Nations

Financial report and audited financial statements
for the biennium ended
31 December 1995 and
Report of the Board of Auditors

Volume I

General Assembly
Official Records • Fifty-first Session
Supplement No. 5 (A/51/5)

Financial report and audited financial statements for the biennium ended 31 December 1995 and Report of the Board of Auditors

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General Assembly
Official Records • Fifty-first Session
Supplement No. 5 (A/51/5)

United Nations • New York, 1996

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The financial report and audited financial statements for the biennium ended 31 December 1995 and the report of the Board of Auditors regarding United Nations peacekeeping operations, the International Trade Centre and the United Nations University are being issued as volumes II, III and IV, respectively.

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ABBREVIATIONS

ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IFAD	International Fund for Agricultural Development
IMIS	Integrated Management Information System
IOM	International Organization for Migration
ITC	International Trade Centre UNCTAD/GATT
MINUGUA	United Nations Human Rights Verification Mission in Guatemala
MINURSO	United Nations Mission for the Referendum in Western Sahara
ONUC	United Nations Operation in the Congo
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
OSGAP	Office of the Secretary-General in Afghanistan and Pakistan
UNAMIR	United Nations Assistance Mission in Rwanda
UNAVEM	United Nations Angola Verification Mission
UCAH	United Nations Humanitarian Assistance Coordination Unit
UNCHR	High Commissioner for Human Rights/Centre for Human Rights
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Coordinator
UNEF	United Nations Emergency Force

UNEP	United Nations Environment Programme
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNITAR	United Nations Institute for Training and Research
UNMIH	United Nations Mission in Haiti
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOSGI	United Nations Office of the Secretary-General in Iran
UNOSOM	United Nations Operation in Somalia
UNPA	United Nations Postal Administration
UNPROFOR	United Nations Protection Force
UNREO	United Nations Rwanda Emergency Office
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNTAC	United Nations Transitional Authority in Cambodia
UNTAG	United Nations Transition Assistance Group
UNTSO	United Nations Truce Supervision Organization
WFC	World Food Council
WFP	World Food Programme
WHO	World Health Organization

LETTERS OF TRANSMITTAL

17 July 1996

Dear Mr. Prempeh,

In accordance with financial regulation 11.4, I have the honour to submit volume I of the accounts of the United Nations for the biennium 1994-1995, which I hereby approve. The financial statements have been drawn up and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(Signed) Boutros BOUTROS-GHALI

Mr. Osei Tutu Prempeh
Chairman
United Nations Board of Auditors
New York

31 July 1996

Sir,

I have the honour to transmit to you the financial statements of the United Nations for the biennium 1994-1995 ended 31 December 1995, which were submitted by the Secretary-General. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(*Signed*) Osei Tutu PREMPEH
Auditor General of Ghana
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

I. FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 1995

Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations for the biennium 1994-1995 ended 31 December 1995. The financial results reported on in the present volume relate to all activities of the United Nations other than peacekeeping operations, which are reported on separately in volume II, and those special programmes whose activities are reported to the General Assembly separately by their executive heads (see para. 26). The accounts in the present volume consist of 21 statements supported by schedules and notes.

2. The present report, the audited financial statements and the report of the Board of Auditors, together with the associated report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), will be submitted to the General Assembly at its fifty-first session. In the interests of limitation of documentation, financial statements for each United Nations trust fund have not been included in the published accounts. A supplementary volume containing all trust fund statements has been provided to the Advisory Committee and to the Board of Auditors, and individual trust fund statements are available upon request.

3. The present report, which is designed to be read in conjunction with the financial statements, can also be considered alone. It summarizes the financial results of the United Nations for the biennium 1994-1995 and provides a brief overview of the financial situation of the Organization as a whole. The remaining sections of the report provide financial information relating to the United Nations General Fund, Working Capital Fund and Special Account (paras. 17-23), technical cooperation activities (paras. 24-25), general trust funds (paras. 26-28) and other special funds (paras. 29-32). The annex is a technical annex, which also includes information required by the Financial Rules to be reported to the General Assembly.

4. Additional financial information relating to peacekeeping is included in the financial report on United Nations peacekeeping operations in volume II.

Overview

5. Statements I, II and III of the accounts summarize, each in one page, the consolidated results of all United Nations activities. Statement I includes all categories of income and a total for expenditures incurred during the 1994-1995 biennium. Statement II includes a summary of assets, liabilities, reserves and fund balances as at 31 December 1995. Statement III summarizes the Organization's net cash flows for the period.

6. As reflected in these consolidated statements, the United Nations financial situation during the 1994-1995 biennium was impacted by a number of significant and inter-related factors:

(a) The continued growth of peacekeeping operations, to a level much higher than in any period prior to 1992;

(b) Serious cash shortages affecting both the regular budget and individual peacekeeping operations, which necessitated borrowings from peacekeeping funds during the biennium;

(c) A high level of obligations to Member States for troop cost and contingent-owned equipment reimbursements, which the Organization has not been able to pay owing to a lack of cash reserves;

(d) The implementation of a number of special measures to conserve the cash of the Organization.

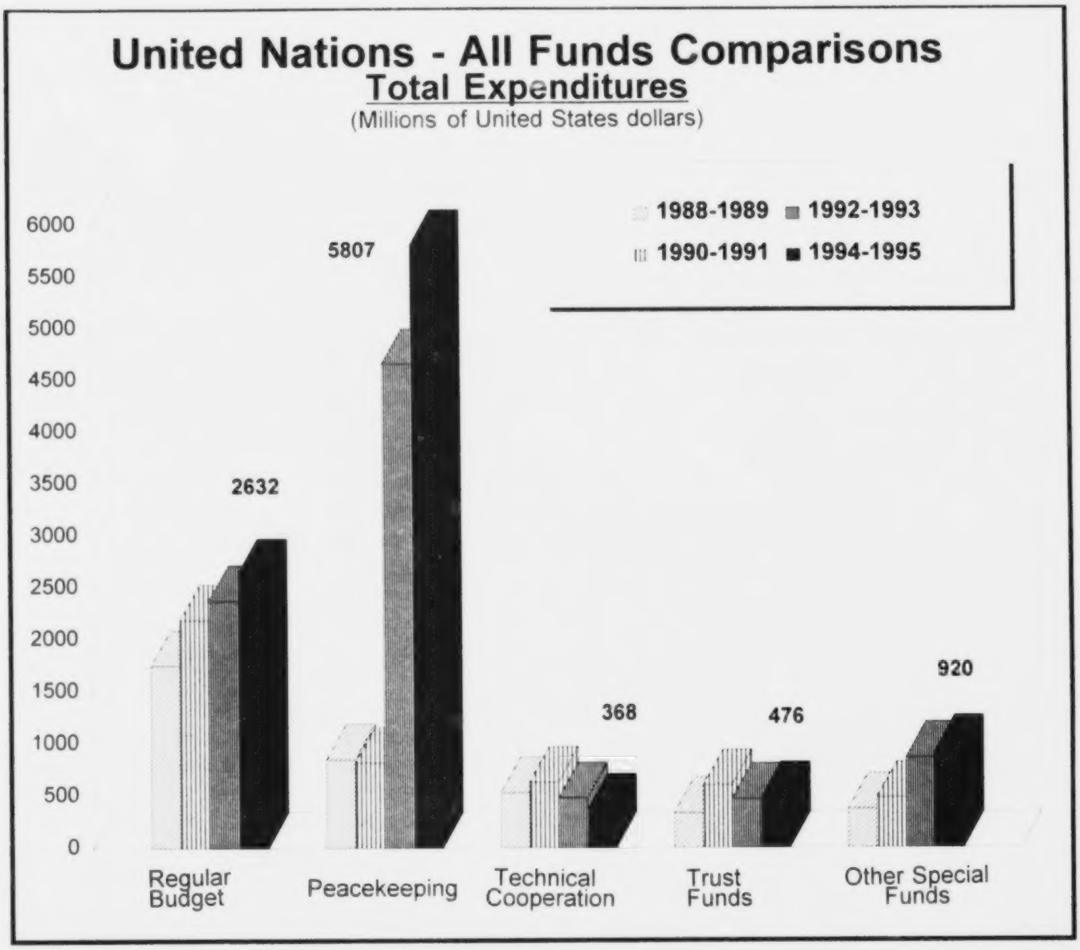
7. For most of the 1994-1995 biennium United Nations peacekeeping operations continued at the peak levels reached in 1993. Total expenditures for peacekeeping operations, which had grown dramatically from $819 million during the 1990-1991 biennium to $4,664 million in 1992-1993, increased still further in 1994-1995 to a total of $5,807 million.

8. This level of United Nations peacekeeping expenditures during the 1994-1995 biennium exceeded the combined total of all other expenditures made by the Organization for regular budget, technical cooperation, trust and other special activities. The dramatic increase in financial resources devoted to peacekeeping in recent years is illustrated in Figure 1, which provides a comparison of overall expenditures in millions of United States dollars for all of the United Nations activities during the last four bienniums.

9. Expenditures for the Organization's regular budget increased 10.8 per cent from the level of the previous biennium, while expenditures for technical cooperation activities declined 22.7 per cent from their levels in 1992-1993. Total expenditures of general trust funds increased 2.2 per cent from their levels in the 1992-1993 biennium. The following table shows the expenditures for each category of United Nations activity as a percentage of total expenditures of all types of funds for the last four bienniums:

	1988-1989	1990-1991	1992-1993	1994-1995
		(Percentages)		
Regular budget activities	45.7	46.3	26.8	25.8
Peacekeeping operations	22.1	17.4	52.6	56.9
Technical cooperation activities	13.9	13.3	5.4	3.6
General trust fund expenditures	8.6	12.7	5.2	4.7
Programme support and other special expenditures	9.7	10.3	10.0	9.0
Total	100.0	100.0	100.0	100.0

Figure 1


United Nations - All Funds Comparisons
Total Expenditures
(Millions of United States dollars)
1988-1989
1992-1993
1990-1991
1994-1995
6000
5500
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
2632
5807
368
476
920
Regular Budget
Peacekeeping
Technical Cooperation
Trust Funds
Other Special Funds

10. The already precarious financial situation of the United Nations was further strained by the expanded level of peacekeeping in recent years. The failure of Member States to pay their assessed contributions in full and on time for the regular budget, for peacekeeping operations and for the international tribunals, has produced recurring cash crises and the resulting inability of the Organization to pay its obligations to Member States and others.

11. As at 31 December 1995, unpaid assessed contributions to the regular budget totalled $564 million. Unpaid assessed contributions for peacekeeping operations were more than $1,930 million and for the international tribunals $5 million, resulting in a total of more than $2,499 million in assessed contributions unpaid at the end of the biennium.

12. Because of these extraordinarily high and rising levels of unpaid assessed contributions, it was necessary throughout the biennium to draw upon the cash reserves of the Working Capital and Special Accounts to meet current operating requirements for the regular budget. Moreover, for substantial periods of time during the biennium, the regular budget had to borrow funds from peacekeeping missions which had cash in excess of their immediate needs. Individual peacekeeping operations were also in cash deficits for varying periods during the biennium and therefore forced to borrow at times from the Peacekeeping Reserve Fund or other peacekeeping missions.

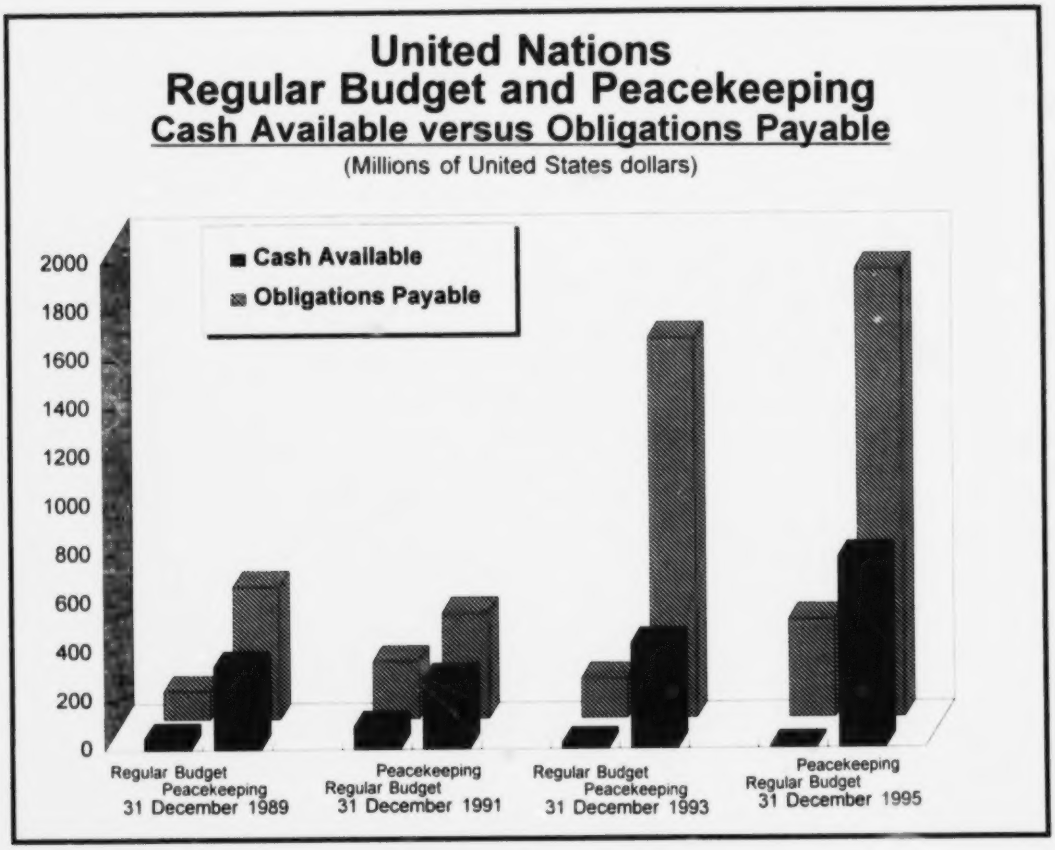
13. These periodic cash crises made it impossible for the Organization to meet fully its financial obligations, principally to certain Member States contributing troops to peacekeeping operations and for the use of contingent-owned equipment.

14. Technical cooperation, trust and other United Nations special activities are financed by voluntary funds or other specific sources, and obligations are not normally incurred unless the necessary cash has been received. As a result, these extrabudgetary funds generally do not have obligations in excess of their available cash and investments. Regular budget activities, peacekeeping operations and the international tribunals mandated by the General Assembly, however, must go on to the extent possible whether or not all assessed contributions have been received in time.

15. In order to maintain regular budget and peacekeeping operations without adequate cash in hand, the Secretary-General has been forced to borrow available cash in various reserve funds and completed peacekeeping missions. With the extremely high level of outstanding assessed contributions, such borrowing alone would not have been sufficient to allow mandated operations to continue at their approved levels. The remaining cash funding gaps have had to be covered by allowing higher amounts of obligations of the Organization to go unpaid for longer periods of time.

16. Figure 2 illustrates how the Organization's obligations, consisting of payments owed to Member States which have contributed troops or equipment to peacekeeping operations, as well as amounts due to various other providers of goods and services to the United Nations, have grown in recent bienniums and how these totals were far higher than the amounts of cash available to satisfy them at the end of each biennium.

Figure 2


United Nations
Regular Budget and Peacekeeping
Cash Available versus Obligations Payable
(Millions of United States dollars)
■ Cash Available
▨ Obligations Payable
2000
1800
1600
1400
1200
1000
800
600
400
200
0
Regular Budget
Peacekeeping
31 December 1989
Peacekeeping
Regular Budget
31 December 1991
Regular Budget
Peacekeeping
31 December 1993
Peacekeeping
Regular Budget
31 December 1995

United Nations General Fund

Working Capital Fund and Special Account

17. The United Nations General Fund contains all regular budget income and expenditure, as well as the assets and liabilities of the Organization other than those specifically identified with other funds. Statement IV shows the status of regular budget appropriations. Statement V shows income and expenditure of the General Fund and its assets, liabilities, reserves and fund balances as at 31 December 1995. Closely related to the General Fund but accounted for separately are the United Nations Working Capital Fund and the United Nations Special Account, the financial results of which are shown in statements VI and VII.

18. The regular budget for the biennium 1994-1995 totalled $2,632.4 million, as appropriated by the General Assembly in its resolution 50/205 A of 23 December 1995. Actual expenditures for the biennium totalled $2,632.0 million, leaving an unencumbered balance of $0.4 million. The 1994-1995 expenditure total of $2,632.0 million represented an increase of 10.8 per cent over the total expenditure in the 1992-1993 biennium of $2,375.4 million. Schedule 4.1 of the accounts shows expenditures by major programme and by type of expenditure. As in recent years, most of the regular budget expenditure is for staff and staff-related expenses. The following tables show expenditures for the four most recent bienniums by percentages spent on each type of major activity and by percentages spent under each functional category of expenditure:

Major activities	1988-1989	1990-1991	1992-1993	1994-1995
		(Percentages)		
Overall policy-making and coordination	2.7	3.5	1.5	1.4
Political and Security Council affairs	7.6	6.5	6.9	8.1
Economic, social and humanitarian affairs	27.3	27.4	27.8	28.6
International justice and law	1.6	1.6	2.0	2.0
Public information	4.5	4.3	4.6	5.1
Common support services	40.3	38.1	35.1	34.8
Staff assessment cost	14.7	15.4	15.8	14.3
Capital and special expenditures	1.3	3.2	6.3	5.7
Total	100.0	100.0	100.0	100.0

Functional categories	1988-1989	1990-1991	1992-1993	1994-1995
		(Percentages)		
Salaries and personnel costs	79.3	79.3	79.0	80.3
Travel	2.1	2.0	1.8	2.1
Contractual services	1.9	2.1	2.1	2.3
Operating expenses	10.5	9.4	9.2	9.3
Acquisitions	3.2	4.7	5.3	3.4
Grants and other	3.0	2.5	2.6	2.6
Total	100.0	100.0	100.0	100.0

19. Schedules 5.1 and 5.2 present the details of general income and net income from revenue-producing activities, which totalled $68.2 million in the 1994-1995 biennium. This was $0.3 million, or 0.4 per cent, higher than the final budgeted amounts for 1994-1995 and 3.5 per cent higher than the total of $65.8 million received during the previous biennium.

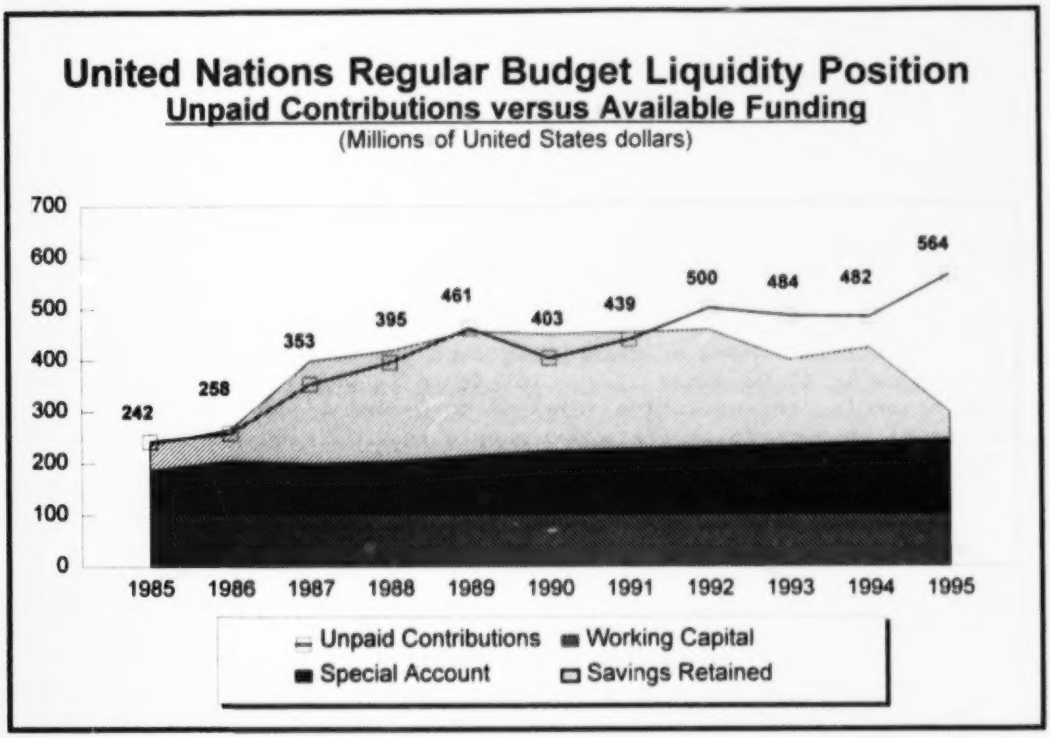
20. At the end of 1995 the General Fund had authorized retained surpluses totalling $68.4 million, down substantially from the comparable figure of $122.2 million as at 31 December 1993. The decrease was due to the decision of the General Assembly, in resolution 50/83 of 15 December 1995, to use $53.9 million of the previously retained surpluses to offset the waiver of regular budget arrears for South Africa.

21. The General Fund also had modest surpluses and savings on the liquidation of prior-period obligations in the 1994-1995 biennium, which totalled $10.1 million. This amount will be available to offset against the assessments of Member States in 1997, unless the General Assembly should choose, at its fifty-first session, to suspend certain financial regulations, as has been done on occasion in the past. The suspension of financial regulations concerning the distribution of budgetary surpluses has been one way in which the Organization has been able to offset shortfalls in cash receipts as a consequence of late payment or non-payment of assessed contributions by certain Member States.

22. Schedule 5.3 gives the full listing of assessed contributions unpaid for the regular budget, which totalled $564.0 million at the end of 1995. This was $79.6 million, or 16.5 per cent, higher than the level of unpaid assessments at the end of 1993 and exceeded by far the $53.4 million fund balance for the regular budget. As a result, the General Fund at year-end had to borrow the full amount of cash available in the Working Capital Fund ($100.0 million) and in the Special Account ($141.4 million). The General Fund continued to be unable to transfer an amount of $57.6 million due to the United Nations Peacekeeping Reserve Fund by the terms of its establishment. In addition to all these debts, by the end of 1995 the General Fund had to borrow $175.8 million from the United Nations Protection Force (UNPROFOR) in order to continue operations.

23. The impact of the continuing failure of Member States to pay their assessed contributions in full and on time is illustrated in Figure 3, which compares the amounts of unpaid assessments over time with the primary sources of cash reserves for the regular budget - budgetary savings in past bienniums not yet returned to Member States, the Working Capital Fund and the Special Account. While these sources of cash reserves were more or less sufficient to cover the level of unpaid contributions during the years from 1985 through the early 1990s, in recent years they have not been sufficient. It has become increasingly necessary for the regular budget to borrow substantial amounts from peacekeeping missions with available cash.

Figure 3

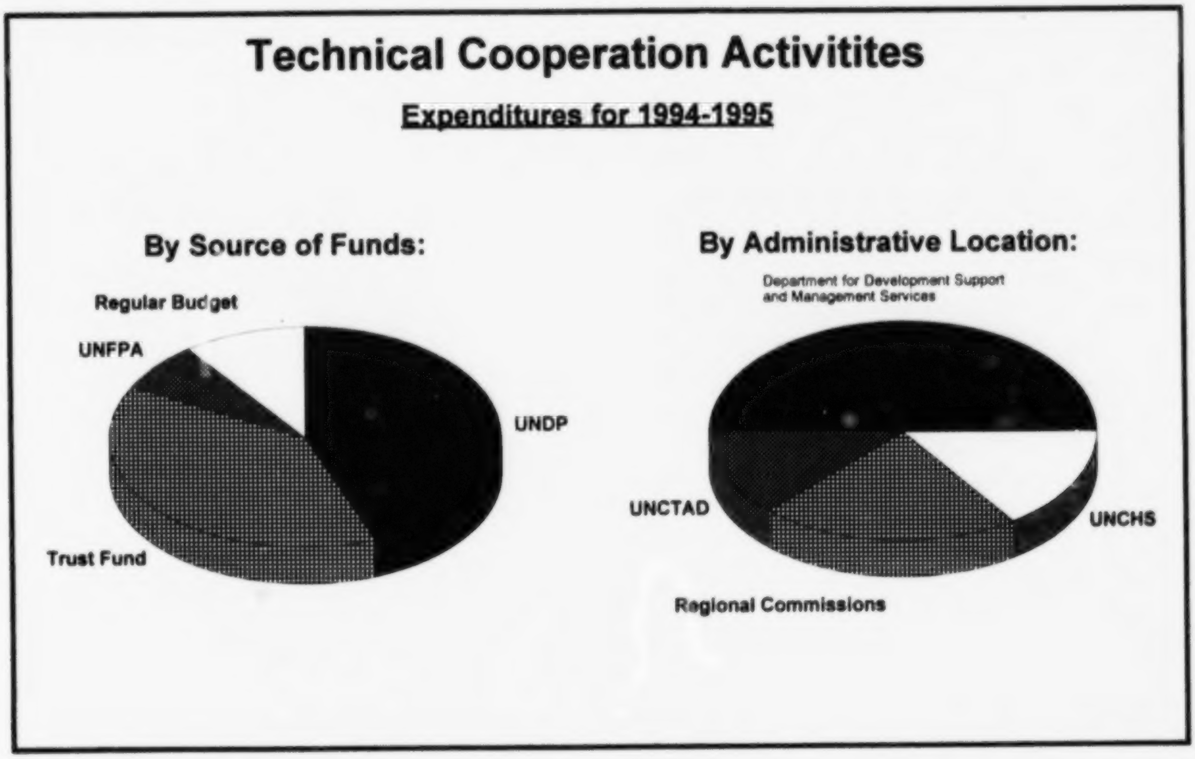


Technical cooperation activities

24. Statement VIII records United Nations technical cooperation activities. About 56.2 per cent of all technical cooperation activity during the 1994-1995 biennium was financed by the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA), with the remainder being financed through technical cooperation trust funds and the regular programme of technical cooperation portion of the United Nations regular budget (section 20).

25. Total expenditures for technical cooperation activities were $368.0 million for 1994 and 1995 (including $37.4 million provided by the United Nations regular budget), a very substantial decrease of $107.9 million, or 22.7 per cent, from the 1992-1993 biennium. Virtually all of this decrease represented a reduction in activities funded by UNDP and UNFPA. Figure 4 shows technical cooperation expenditures by fund source and by administrative location.

Figure 4



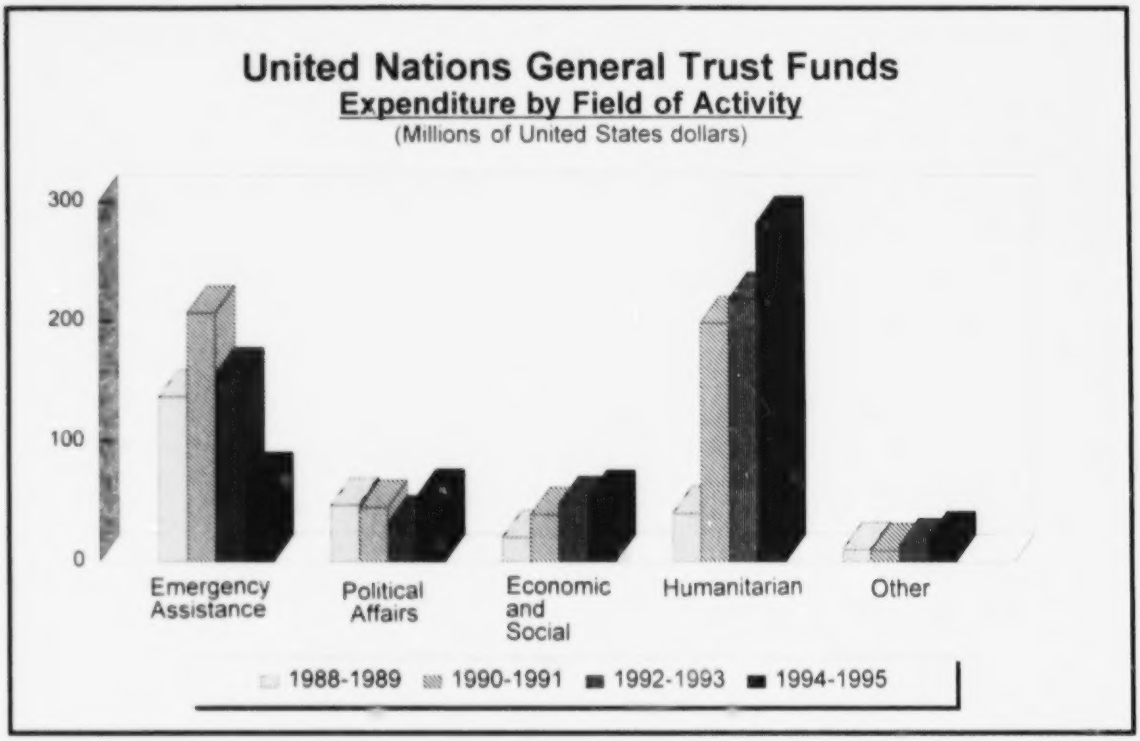
General Trust Fund activities

26. A consolidated summary of the 181 general trust funds under the direct responsibility of the Secretary-General is included in statement IX. Forty general trust funds were established during the 1994-1995 biennium, and nine funds were closed. The various trust funds have been established to support or supplement the substantive work programme of the Organization or to contribute to activities of humanitarian or relief assistance. Certain other extrabudgetary activities - the voluntary funds of the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Fund of the United Nations Environment Programme, the Habitat and Human Settlements Foundation, the United Nations University, the United Nations Institute for Training and Research, the International Trade Centre and the United Nations International Drug Control Programme - are reported to the General Assembly separately and are not included in the accounts of the United Nations.

27. Expenditures for all general trust funds, totalling $476.3 million, were 2.2 per cent higher than the comparable total of $465.9 million for the 1992-1993 biennium. This increase was due primarily to increases in expenditures for humanitarian activities. Total income was $486.4 million during the 1994-1995 biennium, of which $289.6 million represented contributions by Governments. In the 1992-1993 biennium contributions by Governments totalled $402.7 million, or 39.1 per cent more.

28. Four large funds accounted for 58.5 per cent of total expenditures for all general trust funds - the Trust Fund for Humanitarian Relief in Iraq ($121.6 million), the Trust Fund for Disaster Relief ($63.9 million), the Trust Fund for Somalia - Unified Command ($56.9 million) and the Afghanistan Emergency Trust Fund ($36.1 million). Details of these four funds and two other relatively large funds are shown in schedule 9.1.1, and summary data on all trust funds is contained in schedule 9.1. Figure 5 illustrates trust fund expenditures by field of activity for the last four bienniums.

Figure 5



Other Special Funds

29. Statements X through XXI include individual funds established by the United Nations for various special purposes. A description of each of these funds or groups of funds and how they function is included in the notes to the financial statements.

30. Two new special accounts were established during the 1994-1995 biennium: for the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia and for the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda. Half of the funding for these two new entities is provided by assessed contributions on Member States and the other half by transfers from unencumbered balances in related peacekeeping operations.

31. Programme support costs are monies earned by the United Nations for the performance of certain functions related to substantive and administrative support of technical cooperation activities, peacekeeping activities, trust fund activities, and administrative structures such as UNDP and UNICEF. With the continuing growth of extrabudgetary activities it has been necessary to strengthen supporting administrative services. The programme support accounts exist so that the United Nations regular budget does not have to cover undue direct and indirect costs of the various extrabudgetary activities. Statement XVI records the activity in the special accounts for major programme support costs, with the exception of the Special Account for Programme Support Costs of Peacekeeping Operations, which appears in volume II.

32. Overall income for non-peacekeeping related programme support totalled $92.7 million for the biennium 1994-1995, a 0.4 per cent increase over the previous biennium total of $92.3 million. Expenditures from the non-peacekeeping support accounts totalled $104.1 million, a 2.4 per cent increase over the 1992-1993 biennium figure of $101.7 million.

ANNEX

1. The annex includes an explanation of the double counting contained in the financial statements together with supplementary tables and information which the Secretary-General is required to report.

Double counting in the financial statements

2. The United Nations financial statements for individual funds contain elements of double counting of income and expenditure totalling $793.2 million, which are detailed in the following paragraphs. These amounts have been eliminated from the income and expenditure figures shown in the total columns of statement I.

(a) Expenditures in statement V (United Nations General Fund) include $37.4 million relating to the regular programme of technical cooperation shown as income in statement VIII (technical cooperation activities), $40.6 million shown as income in statement XVIII (construction-in-progress and IMIS fund) and $0.4 million shown as income in statement XX (funds held-in-trust).

(b) The Special Accounts for Programme Support Costs (statement XVI) derive their income in part from levies made on other United Nations funds. Statement VIII (technical cooperation activities) includes $32.2 million as expenditure and statement IX (general trust funds) includes $16.1 million as expenditure for the amounts transferred as income to the Special Accounts for Programme Support Costs.

(c) The United Nations escrow account (statement X) includes as expenditure $25.4 million transferred as income to the United Nations Compensation Commission (statement XI), $42.7 million transferred as income to the Special Account for Activities approved under Security Council resolutions 687 (1991) and 706 (1991) (statement XII) and $120.0 million transferred as income to the Trust Fund for Humanitarian Relief in Iraq (schedule 9.1.1).

(d) Expenditures of $380.7 million in statement V (United Nations General Fund), expenditures of $2.3 million in statement XIV (International Tribunal for the former Yugoslavia), expenditures of $0.2 million in statement XV (International Criminal Tribunal for Rwanda) and expenditures of $66.5 million in statement XXII (summary of peacekeeping operations), all for staff assessment costs, are also shown as income in statement XIX (Tax Equalization Fund).

(e) The amount of $28.7 million shown as transfer to other funds in statement XXII (summary of peacekeeping operations) is shown as $22.0 million of income in statement XIV (International Tribunal for the former Yugoslavia) and as $6.7 million of income in statement XV (International Criminal Tribunal for Rwanda).

Cash and investments

3. The cash and investments figures shown in the financial statements represent operational cash held at Headquarters and at other offices and projects outside New York, as well as interest-bearing bank deposits and other investments. The detailed breakdown is shown below in millions of United States dollars:

	Operational cash balances	Interest-bearing accounts	Other investments	Total
General Fund, Special Account and Working Capital Fund	(5.9)	12.0	-	6.1
Peacekeeping operations	37.8	744.3	-	782.1
Technical cooperation activities	21.5	26.7	68.1	116.3
General trust funds	0.7	304.3	2.2	307.2
Other special purpose funds	21.7	284.0	11.7	317.4

Contributions to the regular budget received in currencies other than United States dollars

4. The Secretary-General is authorized by the General Assembly to accept a portion of the assessed contributions of Member States in currencies other than United States dollars. Based on the United Nations actual requirements for various currencies, the United States dollar equivalents of the following payments in such currencies were accepted in respect of the 1992-1993 and 1994-1995 bienniums:

Member States	Currencies	1992-1993	1994-1995
Afghanistan	afghanis	93 125	-
Barbados	dollars	200 533	109 278
Bulgaria	leva	-	-
Burundi	francs	-	-
Central African Republic	CFA francs	84 615	-
Dominican Republic	pesos	246 600	-
Egypt	pounds	1 334 264	480 000
Ethiopia	birr	200 533	109 278
Gambia	dalasis	213 541	118 032
Guyana	dollars	288 073	47 007
India	rupees	335 701	201 147
Iraq	dinars	1 514 858	-
Israel	new shekels	3 775 719	-
Kenya	shillings	193 679	406 362
Morocco	dirhams	586 725	334 465
Pakistan	rupees	1 203 195	659 281
Paraguay	guaranies	391 064	-
Portugal	escudos	-	164 400

Member States	Currencies	1992-1993	1994-1995
Russia	roubles	-	-
Sierra Leone	leones	-	325
Trinidad and Tobago	dollars	177 620	484 620
Zambia	kwacha	248 242	-
Total		11 088 087	3 114 195

Write-off of losses of cash and receivables

5. In accordance with financial rule 110.14, the Controller or, when required, the Secretary-General, after full investigation has approved write-offs for the 1994-1995 biennium totalling $336,619. In each case it was determined in the light of the facts known at the time that: (a) responsibility for the loss could not be fixed and attached to any official of the United Nations, (b) every effort had been made to collect the amounts due and (c) further collection efforts would be fruitless. A breakdown of these write-offs by type in United States dollars for the 1992-1993 and 1994-1995 bienniums follows:

	1992-1993	1994-1995
United Nations General Fund	1 073 684	295 441
Peacekeeping	-	8 447
Technical cooperation activities	-	31 481
General trust funds	-	-
Programme support costs	-	783
Other special accounts	-	467
	1 073 684	336 619

Write-off of losses of property

6. Property losses at Headquarters and at offices away from Headquarters amounting to $1,184,946 (based on their original costs) were written off in accordance with financial rule 110.15 during the 1994-1995 biennium. These write-offs brought the recorded balances of the properties to the same levels as those shown in the property records for the actual quantities on hand. The details of the amounts written off were reported to the Board of Auditors in accordance with the provisions of financial rule 111.10 (b).

Ex gratia payments

7. Three *ex gratia* payments, totalling $17,802, were made in accordance with financial regulation 10.3 during the biennium 1994-1995. Details of these payments were provided to the Board of Auditors.

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. The Board of Auditors has audited the financial statements of the United Nations for the biennium ended 31 December 1995 in accordance with General Assembly resolution 74 (I) of 7 December 1946. The audit was conducted in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. These auditing standards require that the Board plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

2. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent the Board considered necessary to form an opinion on the financial statements.

3. The audit was carried out at United Nations Headquarters and at the following United Nations offices away from Headquarters: Addis Ababa, Amman, Bangkok, Geneva, Mexico City, Santiago, Santo Domingo, Tangiers, Yaoundé and Vienna. Technical cooperation activities in Malawi and Uganda were also reviewed.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews, under article 12.5 of the Financial Regulations. The reviews concerned the efficiency of financial procedures, the internal financial controls and, in general, the administration and management of the United Nations, including reviews of procurement of goods and services, programme planning, performance and reporting and engagement of consultants which were carried out by the Board on an organization-wide basis. The General Assembly had requested the Board of Auditors to undertake special studies on internal audit and budgetary assumptions and follow up on previous recommendations and to report back to the Assembly accordingly. The present report also addresses those special requests, which are contained in General Assembly resolutions 48/228 of 23 December 1993, 49/216 of 23 December 1994 and 50/204 of 23 December 1995.

5. The Board continued its practice of reporting the results of specific audits through management letters containing detailed observations and recommendations to the Administration. This practice helped to maintain an ongoing dialogue with the Administration on audit issues. The Board also maintained continuing liaison with the Joint Inspection Unit and worked in close coordination with the Office of Internal Oversight Services.

6. A summary of main findings and recommendations is contained in paragraphs 10 to 46. The detailed findings of the audit are reported in paragraphs 47 to 290.

7. The present report covers matters which, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations on all matters contained in the present report were communicated to the Administration, which has confirmed the facts on which the Board's observations and conclusions are based and provided explanations and answers to

the Board's queries. The report is divided in two parts, covering the audit of financial statements and management issues, respectively.

Follow-up on actions taken on previous audit recommendations

8. Pursuant to paragraph 2 of General Assembly resolution 48/216 B of 23 December 1993, the Board has reviewed the measures taken to implement its previous recommendations. The Administration has implemented, or initiated actions to implement, the recommendations made by the Board in its report for the period ended 31 December 1993. 1/ Details of the actions taken and the comments of the Board are set out in the annex to the present report.

Overall results

9. The Board's examination revealed no weaknesses or errors considered material to the accuracy or completeness of the financial statements as a whole. Accordingly, the Board has given an unqualified opinion on the United Nations financial statements for the period ended 31 December 1995.

Summary of recommendations

10. The Board recommends that the following actions, presented in order of priority, should be taken:

Budgetary control

(a) Budgetary control at the level of responsibility centres should be improved by closer scrutiny through the generation of exception reports. Rigorous control over budgetary performance of trust funds should be ensured. The format of the periodic budget performance reports should be modified to enable a more meaningful review of expenditures to be made (see paras. 53 and 55);

Budgetary assumptions

(b) Instead of using the latest available exchange rates, budgetary assumptions relating to operational exchange rates should be based on an averaging method (see para. 110);

(c) Inflation rates for non-post items should be based on the price trends pertaining to a basket of goods and services normally procured by duty stations. For this purpose, necessary data should be collected for major duty stations (see para. 111);

(d) Instead of adopting uniform assumptions relating to delayed recruitment for all duty stations, appropriate vacancy rates should be used for each duty station separately, based on past trends (see para. 115);

(e) The budget performance reports presented to the General Assembly should be modified to include the actual expenditures and performance closer to the end of the biennium (see para. 121);

1/ Official Records of the General Assembly, Forty-ninth Session, Supplement No.5 (A/49/5), vol. I, sect II.

Procurement

(f) To improve overall management control of the Procurement and Transportation Division, the Board recommends that:

- (i) The internal control requirements in the modified structure of the Procurement and Transportation Division should be analysed and appropriate internal control systems established (see para. 81);
- (ii) Action should be taken to establish a reliable unified management information system and a comprehensive database including for high-value procurement cases which were exempted from the bidding process (see paras. 87 and 89);
- (iii) The evaluation criteria and the procedure for registration of vendors established under the revised procurement manual for supplier procedures should be reviewed over time to see whether any further modifications are required (see para. 91);
- (iv) Detailed guidelines should be established on methods of invitation to bid covering the various aspects of procurement (see para. 103);
- (v) The requirements and appropriate categories of goods and services for the duration of proposed systems contracts should be identified in advance through improved procurement planning in the Organization (see para. 100);

Revenue-producing activities

(g) The United Nations Postal Administration should develop an appropriate marketing strategy taking into account the possibility of increasing the share of dealer sales and the need to minimize the cost of sales (see para. 127);

Technological innovations programme

(h) Sustained efforts should be continued to increase user access to the Optical Disk Project by providing the required information on the utility of the system (see para. 137);

(i) The working group of the Technological Innovations Board should be reactivated and a policy on the use of information technology, providing for, inter alia, standardization of hardware and software should be established soon (see para. 154);

Conference services

(j) To improve the efficiency of conference services, the Board suggests that:

- (i) The practice of maintaining information on the combined output of regular staff and temporary assistance staff in the translation service should be discontinued and the output of temporary assistance staff should be monitored against total expenditures incurred for their engagement (see paras. 142 and 143);
- (ii) Reliable cost data should be developed in respect of the various activities in conference services and an in-depth study of the cost of

services should be undertaken to determine the average cost of each service (see para. 150);

(iii) Workload standards should be reviewed and revised upwards, taking into account the benefits derived from implementation of the technological innovations programme (see para. 153);

Human resources management

(k) In order to streamline the process of engagement of consultants in United Nations organizations, the Board recommends that:

(i) The terms of reference of consultants should be prepared more precisely, including objectives, targets and output delivery dates. Necessary guidelines should be issued to all requesting organizations and departments (see para. 160);

(ii) To ensure selection of consultants on a more competitive basis, all proposals for consideration of a sole candidate for recruitment should be actively discouraged. Appropriate norms should be established for selection of consultants from a wider geographical base (see paras. 166 and 175);

(iii) Requisitioning units should be required to plan their project and programme personnel requirements in advance and provide adequate lead time to the various personnel services within the Organization, so that proper recruitment action can be taken in compliance with the established rules (see paras. 180 and 181);

(iv) Recruitment officers in the Department for Development Support and Management Services should be given improved access to comparative information on consultants' fees. The basis for fixing the remuneration of consultants should be recorded (see paras. 184 and 185);

(v) The assessment form on consultants should be reviewed to make it more detailed and to indicate more clearly the quality of the consultant's work and the consultant's ability to undertake future assignments (see para. 189);

(l) The reasonableness of the lump-sum travel grant should be reviewed to see whether a reduced percentage of the lowest full economy fare would be an adequate compensation under the scheme (see para. 192);

(m) A system of periodic claims audit should be introduced at the offices of the medical insurance companies to ensure that the claims submitted by them are correct. The possibility of obtaining competitive bids should be explored before awarding medical and dental insurance contracts in future (see paras. 195 and 196);

Internal audit

(n) The internal audit coverage of UNHCR country programmes should be enhanced to aim at a shorter audit cycle and to cover activities with high-risk ratings more frequently (see para. 67);

(o) The database of audit activities should be made more comprehensive to ensure inclusion of all audit and related activities and available resources (see para. 73);

(p) An appropriate medium-term audit plan should be developed expeditiously, as recommended by the Board in a previous report (see para. 74);

(q) All prior-period audit recommendations should be reviewed to identify and follow up the more important and relevant issues (see para. 77);

Management of the statistical programme

(r) Planning and monitoring of programme outputs should be improved by identifying more formally the timing and resource requirements for the various outputs (see para. 201);

(s) To enable more meaningful monitoring of programme performance to be done, there should be a more rigorous estimate of the resources required for each output (see para. 204);

(t) To develop an appropriate programme implementation plan, the Statistics Division should:

- (i) define each statistical output or activity as a project and plan accordingly;
- (ii) reflect in the planning process the timing and resource allocation for non-output specific activities, such as parliamentary services;
- (iii) include efficiency and quality performance targets for each output, and plans and targets for quality control activities (see para. 205);

Technical cooperation programme

(u) In technical cooperation projects, benchmarks should be established on the basis of previous experience to test the validity of individual project delivery assumptions and resource allocation (see para. 229);

(v) The Department for Development Support and Management Services should take stronger action when external factors cause excessive delays in executing project activities, and should take appropriate action to overcome difficulties arising from internal factors (see para. 231);

Programme planning, monitoring and evaluation

(w) To improve the quality of programme planning, monitoring and evaluation in the Organization, the Board recommends that:

- (i) Departments should be encouraged to quantify more activities in proposed programme budgets so as to facilitate improved monitoring and evaluation (see para. 248);
- (ii) Programme outputs and output delivery dates should be quantified by the departments themselves on the basis of appropriate guidelines issued by the Central Monitoring and Inspection Unit. Thereafter, the outputs should be subject to review by the Unit (see paras. 250 and 255);

(iii) Guidelines should be issued to all departments to establish formal monitoring procedures. In addition, a central database of monitoring procedures should be established to ensure improved oversight of the monitoring process (see paras. 257 and 260);

(iv) The Central Monitoring and Inspection Unit should provide to the department concerned regular feedback on the programme performance deficiencies noticed at the end of 12 months and 18 months of the biennium (see para. 261);

(v) The number of self-evaluations conducted in departments should be increased by closer monitoring and interaction between the departments and offices and the Central Evaluation Unit. In addition, detailed guidelines should be issued early to all departments, covering current evaluation practices, methodologies and quality standards (see paras. 272 and 277);

(vi) Regulations, rules and manuals concerning programme planning, budgeting, monitoring and evaluation should be updated to incorporate changes in budgetary and programme planning practices (see para. 285).

Summary of findings

Liquidity position

11. Unpaid contributions to the General Fund as at 31 December 1995 represented 72 per cent of total assets. Were an appropriate provision made for late payments of assessed contributions outstanding for over two years, the financial statements for the biennium 1994-1995 would show a negative balance of some $45 million (see paras. 48 and 49).

12. Compared to the previous biennium, the United Nations liquidity decreased substantially. There was a reduction in the net current assets of $159.7 million and a decrease in cash and investments of $18.6 million (see para. 50).

13. The amount borrowed during the 1994-1995 biennium from peacekeeping and other funds to meet current liabilities almost equalled the unpaid assessed contributions of $511.8 million, excluding withheld amounts (see para. 50).

Budgetary control

14. The overall budgetary control showed improvement, but budgetary control at the responsibility centres required closer attention (see para. 53).

15. There was no significant improvement in budgetary control in respect of trust funds. In some cases, either expenditures were incurred without allotments or regular budget funds were used to bridge-fund extrabudgetary activities (see para. 57).

Internal audit

16. The internal audit coverage of technical cooperation projects was adequate, but the coverage of UNHCR country programmes was not. In addition, smaller peacekeeping missions were rarely audited (see paras. 66, 67 and 68).

17. The persisting staff shortage in the Audit and Management Consulting Division led to restricted audit coverage in terms of both the number of units audited and the number of days allotted for each assignment (see para. 69). The Division has introduced a system of risk rating to identify the units to be audited each year but is yet to develop a comprehensive database and a long-term or medium-term audit plan as recommended by the Board (see paras. 71-74).

Procurement

18. The internal control measures required in the restructured Procurement and Transportation Division needed review since adequate lines of authority, supervision and accountability had not been established (see paras. 80 and 81).

19. The Division was yet to establish fully a unified management information system. In addition, it did not have comprehensive data readily available on procurement cases above $500,000, which were exempted from the bidding process (see paras. 86 and 88).

20. About 57 per cent of the contracts pertaining to the Department of Peacekeeping Operations and 23 per cent of contracts relating to United Nations Headquarters reviewed by the Headquarters Committee on Contracts from 1 July 1995 to 30 april 1996 were either on an ex post facto or partial ex post facto basis (see para. 96).

Budgetary assumptions

21. The Administration used the latest available rates of exchange for the various currencies to compute the standard cost tables at the end of each year, but the averaging method for forecasting the operational rates of exchange proved to be more accurate (see paras. 109 and 110).

22. The practice of projecting the rates of inflation as reflected in the Consumer Price Index for non-post items had limitations (see paras. 111 and 112).

23. The adoption of a uniform vacancy rate (lapse factor) for all duty stations was likely to give rise to inaccuracies in budget formulation (see paras. 114 and 115).

Revenue-producing activities

24. There was a steady decline in the net income from revenue-producing activities, from $10.2 million in 1990-1991 to $0.5 million in 1994-1995. The United Nations Postal Administration (UNPA) accounted for most of the decreases ($6.4 million) in net income as compared to the previous biennium (see paras. 124 and 126).

25. UNPA has not yet developed an appropriate marketing strategy even though sales to various customers and dealers declined substantially during the biennium (see para. 127).

26. The cost of the sale of publications and of services to visitors continued to increase (see paras. 130 and 132).

Technological innovations programme

27. In the case of the Optical Disk Project, although 96 per cent of allotments had already been spent, the targeted outputs in terms of user coverage had not been achieved (see para. 135).

28. In the absence of an appropriate software for machine-assisted translations, the workstations acquired to facilitate translation could not be fully utilized as envisaged (see para. 138).

Translation services

29. In the translation services, separate statistics were not maintained in respect of the outputs achieved by regular staff and temporary assistance staff, resulting in inefficient evaluation of outputs of the two categories of staff (see para. 142).

30. Adequate cost data has not been developed for the various conference services. The available data indicated that there were significant fluctuations in the per-unit costs of conference services from year to year (see paras. 148 and 149).

Human resources management

Consultancy contracts

31. The terms of reference of consultants did not provide specific targets and delivery dates against which their performance could be measured (see paras. 158 and 159).

32. In the majority of the cases test checked at Headquarters and in offices away from Headquarters only one candidate was considered for selection. Over 80 per cent of the candidates at the United Nations Office at Geneva were identified from personal contacts or recommendations or from having had previous contracts with the Organization (see paras. 162 and 163).

33. Nearly 80 per cent of the consultants engaged by Headquarters were from 12 developed countries. Some four developed countries accounted for 47 per cent of all contracts given by the Department for Development Support and Management Services in 1994 (see paras. 173 and 174). The level of remuneration paid by the Department to consultants was 30-35 per cent higher than that paid by comparable organizations (see para. 185).

Lump-sum travel scheme

34. At Headquarters, in 50 per cent of the cases test examined by the Board, the lump-sum travel benefits paid to the staff were 30 per cent or more than the actual fares paid by the staff concerned for their travels. In 10 per cent of the cases test examined, the staff paid only negligible amounts for the travel, being beneficiaries of various frequent-flier schemes (see para. 190).

Department for Economic and Social Information and Policy Analysis

35. In the Statistics Division of the Department for Economic and Social Information and Policy Analysis there was little evidence of detailed planning and monitoring of programme outputs (see para. 201).

36. The Statistics Division had developed few indicators or targets at branch or output level for measuring performance in the production of its statistical materials (see para. 210).

Technical cooperation activities

37. The level of resources available to the Department has continued to decline, due in part to the rapid growth of national execution. The level of programme support revenue has also declined because of a reduction in the rate of delivery of project activities (see para. 221).

38. There was a low project delivery rate, due in part to poor planning and monitoring of project activities, lack of presence in the field and inefficient working practices and procedures (see para. 230).

39. The operating deficit of the programme support cost of the Department in 1994-1995 was $10.5 million, which reduced the reserves of the programme support account to a cumulative deficit of $3.7 million (see para. 239).

40. The inability of the Department to downsize quickly highlighted the need for a more flexible staffing resource in the future. In the meantime, there was little evidence of clear strategic management of the downsizing. As a result, and because of significant reductions of technical staff, the Department's ability to improve programme delivery and to generate new business was adversely affected (see paras. 242 and 243).

Programme planning, monitoring and evaluation

41. Norms for assessment of work-months, which constitute the main input for programme planning and implementation in the United Nations, have not been developed (see para. 245).

42. The practice of the Central Monitoring and Inspection Unit determining the programme outputs on the basis of the proposed programme budgets, instead of the departments themselves undertaking the task directly, does not promote initiative and accountability (see para. 249).

43. In the absence of indicating the programme completion dates in the proposed programme budgets, the programme delivery schedules remain uncertain (see para. 252).

44. The Central Monitoring and Inspection Unit has not issued guidelines to departments to enable them to establish appropriate internal programme monitoring procedures. The Unit also did not have a database of the programme monitoring procedures followed by the departments (see paras. 256 and 259).

45. No system has been established to provide a feedback of the deficiencies in programme performance, at periodic intervals, to the departments concerned (see para. 261).

46. The number of self-evaluations of subprogrammes has been on the decline. The present system of self-evaluation is met with little enthusiasm and involvement by the departments. Some departments did not carry out any formal self-evaluation of their subprogrammes during 1992-1993 and 1994-1995 (see paras. 269 and 270).

Part I. Financial statements

United Nations System Accounting Standards

47. The General Assembly, in resolution 48/216 C of 23 December 1993, took note of the United Nations System Accounting Standards developed by the Administrative Committee on Coordination. Those standards were subsequently revised by the Committee to include, inter alia, formats for financial statements (see ACC/1995/20, annex III). The Board confirmed that the financial statements of the United Nations for the biennium ended 31 December 1995 conformed to the United Nations System Accounting Standards.

Liquidity position

48. As at 31 December 1995, assessed contributions of $564 million remained unpaid, including $52.2 million withheld by two Member States and $29.5 million pertaining to 1993 and prior years. In addition, unpaid contributions of $16.6 million have been retained as assets in the financial statements, pursuant to General Assembly resolution 3049 C (XXVII) of 19 December 1972. The Board noted that total unpaid contributions ($580.6 million) represented 72 per cent of total assets ($802.9 million) as at 31 December 1995.

49. The United Nations System Accounting Standards provide that in the interest of prudent financial management, provision may be made, as appropriate, for delays in the collection of assessed contributions. The Board considered that were an appropriate provision made for late payment of assessed contributions, outstanding for over two years, this would render the positive reserve and fund balance of $53.4 million as at 31 December 1995 into a negative balance of some $45 million. As a consequence, the shortfall in the actual receipt of contributions would have an impact on the amount available for distribution to Member States.

50. The Board's analysis of the liquidity position as at 31 December 1995 in respect of the United Nations General Fund, Working Capital Fund and Special Account showed that there was a decrease of $159.7 million in net current assets and a further decrease of $18.6 million in cash and investments compared to the prior financial period. To meet current liabilities there is continued reliance on other funds. As at 31 December 1995, the General Fund had borrowed $509.9 million from peacekeeping and other funds. The amount borrowed had almost equalled the unpaid assessed contributions of $511.8 million, excluding the withheld amounts of $52.2 million.

Special accounts for the sale of United Nations bonds

51. In the financial statements, an account receivable of $44.0 million is still shown as amounts due from the two closed missions - the United Nations Operation in the Congo (ONUC) and the United Nations Emergency Force (UNEF). The Administration stated that closure of those old accounts would require write-off of the uncollected assessed contributions in UNEF and ONUC, which would be subject to the approval of the General Assembly. In view of the age of the balances and amortization of the principal amount of the United Nations bonds, the Board recommends early resolution of the issue.

General trust funds

Status of unpaid pledges

52. The Board's review of the status of pledged contributions as at 31 December 1995 disclosed that total unpaid pledges amounted to $14.4 million in respect of 33 trust funds. The Board therefore recommended that regular ageing analysis of the contributions receivable be undertaken to assist in realizing the outstanding pledges. The Administration noted the recommendations and stated that additional reminder letters would be issued for a total approximate amount of $9.8 million based on a report prepared by the Accounts Division in July 1996. It also stated that efforts would be continued to reconcile the differences between the figures of unpaid pledges maintained by the Contributions Section and the Accounts Division.

Budgetary control

General Fund

53. At the global level, total expenditure for the biennium ended 31 December 1995 corresponded to the budget appropriation of $2.6 billion. Further, the allotments conformed to the respective appropriations, which indicated improved budgetary control as compared to the previous biennium. However, budgetary control at the responsibility centre level requires closer attention. The Board noted that, in the case of 137 responsibility centres, the budget variation exceeded 10 per cent each.

54. The Administration stated that since the final appropriations are based on 20 months' actual expenditures and 4 months' projections for the biennium, it was not possible to foresee precisely the final expenditures at the level of individual components and that some variations between final appropriations and actual expenditures were inescapable.

55. The Board, however, considers that substantial budgetary variations in respect of the large number of responsibility centres should be checked by more efficient budgetary planning and control. The Board therefore suggested the following measures, which would assist in the budgetary control exercise:

(a) Programme managers should be asked to assess their expenditure requirements on a half-yearly basis and any significant variations should be analysed for initiating timely action;

(b) Since the budget performance report with breakdown to the subprogramme level is voluminous, computerized exception reports, at the level of responsibility centres, should be generated to focus attention on the centres which require more timely action; and

(c) The format of the allotment reports should be revised appropriately to include additional columns for redeployments and half-yearly projections.

56. The Administration agreed to revise the format of the allotment reports to include the column for redeployments but considers that the Board's suggestion to include half-yearly projections of expenditures in the allotment reports would be beyond the capability of the budget information system. The Board, however, suggests that this may be implemented.

Trust funds

57. In its report for the biennium ended 31 December 1993, the Board had drawn attention to the lack of effective budgetary control in regard to trust funds. The Board observed that there was no significant improvement in this area. In 23 programmes funded by 18 trust funds, expenditures either were incurred without allotments or had exceeded the allotments. For instance, the United Nations Information Centre, Tokyo, had exceeded the allotments in respect of the Trust Fund for Expanding Information Activities in Japan in five out of seven years since its establishment. In the Department of Public Information and the Department of Political Affairs there were several instances of utilization of the regular budget to bridge-fund extrabudgetary activities related to the trust funds. On the other hand, the budget performance reports disclosed that during 1994 no expenditure was recorded in respect of 63 programmes implemented by 26 trust funds.

58. The Administration agreed that expenditures in respect of trust funds should not be incurred out of regular budget, not even under exceptional circumstances. It also informed the Board that monitoring of excess expenditures had already been systematized through an internal control mechanism, while under-expenditures would be more rigorously examined in future. The Board welcomes these measures and recommends more rigorous control over budgetary performance of trust funds.

Write-off of losses of cash, receivables and property

59. In line with financial rule 111.10 (b), the Board was provided with details of cash, stores and other assets written off during the biennium 1994-1995. This included losses of cash and receivables amounting to $406,860 for the United Nations General Fund and related activities written off in accordance with financial rule 110.14; in addition, property totalling $881,068 (based on original costs) was also written off in accordance with financial rule 110.15. This does not include the write-off relating to peacekeeping operations.

60. The write-off of losses of property owing to damage (total loss by vehicle accident, fire, storm, etc.) and shortage (including inventory discrepancy, loss and theft) was reported to the Property Survey Board at Headquarters by the various offices, as follows (in United States dollars):

Department for Development Support and Management Services	829 509
United Nations Office at Geneva	42 225
ESCAP	4 910
ECLAC	4 424
Total	881 068

Ex gratia payments

61. The Administration informed the Board that, in line with financial rule 110.13 three *ex gratia* payments amounting to $17,802 were made during the biennium 1994-1995.

Part II. Management issues

Internal audit

62. As requested by the General Assembly in its resolution 50/204 of 23 December 1995, the Board reviewed the action taken on its recommendations contained in its report for 1990-1991, with a view to determining whether those recommendations had been implemented and the deficiencies rectified following the establishment of the Office of Internal Oversight Services. Following the establishment of the Office of Internal Oversight Services, the Internal Audit Division, now the Audit and Management Consulting Division, became one of its four divisions. By the end of 1995, the Division had 64 staff members - 44 at the Professional and 20 at the General Service level. While most of the staff is based in New York, the Division maintains sections in Geneva and Nairobi, as well as a small cadre of staff outposted to peacekeeping missions.

Independence of the Audit and Management Consulting Division

63. In its report for the biennium ending 31 December 1991, the Board had pointed out that membership of the internal audit staff in committees and organizations which were established primarily to serve and foster the personal interests of the United Nations staff exposes the internal auditors to potential conflicts of interest in view of their access to all records and documents, including those classified as confidential and restricted. The Board noted that three staff members were presently members of the Staff Council and Health and Life Insurance Committee. According to the Audit and Management Consulting Division representation on the Staff Council cannot be denied to their staff and such membership does not impair the independence of the internal audit function.

64. The Board trusts that the Audit and Management Consulting Division will ensure that membership of internal auditors on those committees does not give rise to any potential conflicts of interest. The Board would further remind the Office of Internal Oversight Services of the recommendation by the Advisory Committee on Administration and Budgetary Questions, in its report of 8 March 1996 (A/50/7/Add.13), that no member of the Audit and Management Consulting Division should be associated with the proceedings of the Headquarters Committee on Contracts.

Scope of responsibilities and professional resources

65. The Board had recommended development of improved terms of reference in determining the audit coverage of United Nations operations by establishing a system of strategic identification and selection, taking into consideration the available resources. The Board had also pointed out, in its previous review, that audit coverage of projects of the Department for Development Support and Management Services and the Department of Peacekeeping Operations and of activities of the Office of the United Nations High Commissioner for Refugees and of information centres was not adequate.

66. The Board noted that the present audit coverage by the Audit and Management Consulting Division of technical cooperation projects was commensurate with the level of expenditure involved.

67. Based on the recommendations of the Board, the Audit and Management Consulting Division has, since 1995, given more emphasis to the audit of UNHCR headquarters activities. The Division also conducts audits of about 20-25 UNHCR country programmes every year. The Board noted that this resulted in an audit

cycle of about five years, which is far below the biennial cycle suggested by the Committee for Programme and Coordination. The Division considers that even a three-year cycle would require two or three additional posts. The Board is of the view that the present audit coverage of UNHCR country programmes is inadequate and that efforts should be made to increase audit coverage. The Division should also adopt a selective approach in which country programmes, and operational activities at UNHCR headquarters with high-risk ratings, are audited more frequently.

68. The Audit and Management Consulting Division plans the audit of peacekeeping missions on the basis of assigned risks. Consequently, while larger missions such as UNAMIR, UNOSOM, UNPROFOR and UNTAC were audited on a regular basis, some smaller missions with lower risk ratings were rarely audited. For UNPROFOR, the largest mission, the Division assigned a resident auditor and provided 784 days of audit effort during the biennium 1994-1995. Resident auditors were also assigned at UNMIH and UNAVEM. The Division stated that the General Assembly had established two Professional posts to be funded from the peacekeeping support account as of 1 July 1996, which would allow adequate coverage of peacekeeping operations for the rest of the biennium.

Staffing

69. During the past five years the Audit and Management Consulting Division had consistently worked with Professional staff strength ranging from 69 to 76 per cent of the authorized level. The staff shortage led to restricted audit coverage both in terms of the number of units audited and the number of days allotted for each assignment. The Division supplements its audit coverage with the services of some audit assistants at the General Service level.

70. The Board was pleased to note that during the last four years the proportion of experienced staff at the Professional level in the Division has gradually improved. It now has 39 experienced staff in the Professional category. The majority of the auditors are now at the middle level of the Professional category.

Audit planning

71. In 1994, the Audit and Management Consulting Division had introduced a system of risk rating on the basis of three criteria - budget, visibility and previous audit findings - as a means to identify units that should be audited during a calendar year. The Board welcomes this introduction of an analytical approach to the selection of audit areas for examination.

72. The Division assesses the risk rating up to the department level and the section chiefs select the units of a department for audit on the basis of their personal experience and judgement. The Division accepted the suggestion of the Board to establish documentation of the risk analysis below the department/office level and will incorporate this in the database in the medium-term plan under development.

Database of audit activities

73. The Board observed that the database of audit activities of the Audit and Management Consulting Division did not include information on time spent on audit support work. In addition, the database did not include a total of 1,680 days in 1994-1995, because of incomplete reporting of activities. The Division

should introduce measures to ensure completeness of reporting so as to improve control over resource utilization and strengthen audit planning.

Development of a long-term plan

74. In its report for the 1990-1991 biennium, the Board had pointed out that the Audit and Management Consulting Division had not established a long-term or medium-term audit plan. The Board noted that the Division has not yet taken steps to develop such a plan but proposes to develop a five-year medium-term plan in 1996. In view of the lapse of time, the Board reiterates its previous recommendation that the Division should develop the medium-term plan expeditiously.

Reporting and follow-up of audit findings

75. In its report for 1990-1991 the Board had expressed concern about the time taken for finalization of audit reports, poor response rate from the Administration and inadequate follow-up by the Audit and Management Consulting Division. The Board's latest review revealed that delays persisted in the finalization of audit reports. This needed to be addressed as a priority. The Board also noted that the database on audit assignments does not have a field for recording the dates on which the field work was completed and the dates on which the related audit communications were issued. This made monitoring difficult.

76. The Division shared the Board's concerns and stated that timeliness of reporting is one of its priorities; but this depends to a large extent on the timeliness and completeness of Management's responses to the interim audit communications. The Division has, however, agreed to include the dates of completion of the field work and dates of issue of audit communications in their database.

77. The Board welcomes the measures taken by the Division to improve its monitoring of outstanding audit recommendations. The Board noted that, as at April 1996, there were 433 outstanding recommendations relating to the period 1988-1991. In all, some 1,800 recommendations pertaining to the pre-1994 period had not yet been implemented by the Administration. The Division stated that, as a matter of priority, their monitoring efforts focus on implementation of the more recent recommendations, from 1994, but that recommendations issued prior to that date would be followed up during future audits. The Board, however, recommends that the Division should also review the recommendations made prior to 1994, identify the more important and relevant issues and take appropriate follow-up action.

78. The Board further suggests that the efficiency of the system of implementation monitoring by the auditors needs strengthening. For this purpose, a separate field should be created in the weekly activity reports submitted by the auditors indicating the time spent by them on follow-up of audits. This would assure the Division of regular follow-up action by the auditors on outstanding recommendations. The Division agreed with the Board and accepted the suggestion to create a separate assignment for follow-up.

Procurement

Follow-up on recommendations on procurement

79. Following the Board's recommendations in its report for 1992-1993 and in light of General Assembly resolution 49/216 C of 23 December 1994, the Administration initiated a number of measures to improve the procurement process. The Board reviewed the progress on implementation of its recommendations, as well as action taken by the Administration on the report of the High-level Group of Experts on Procurement.

Organizational structure

80. The Board noted that the Procurement and Transportation Division had been restructured on a commodity-based system. The staff in each cluster is responsible for an identifiable range of commodities and manages all procurement activities, from receipt of the requisition to delivery of goods and services. The process of payment has, however, been transferred to the Accounts Division. The Administration stated that the cluster system was established in order to integrate the procurement process so that it is managed more coherently, to concentrate expertise where it belongs and to eliminate overlapping. The Board noted that, in the reorganized set-up, the unit chief level of supervision was removed to provide for a larger number of fully operational officers.

81. While appreciating the initiative taken by the Administration in introducing the organizational restructuring, the Board shared the concern of the Advisory Committee on Administrative and Budgetary Questions on this issue, expressed in its report of 8 March 1996 (ibid.). The Board also recommended that the Administration should conduct a further study of internal control measures required in the modified structure, including adequate lines of authority, supervision and accountability and establish them at the earliest possible time.

82. The Administration informed the Board that it recognized that the 11 clusters presently in the system were excessive and it had decided to reduce them to 8. The Administration also proposes to regroup the Division into two Sections, each headed by a chief at the P-5 level, responsible for approximately four clusters each. Further, the Administration envisages that the requisite guidance, control and management of procurement activities will be provided, thus addressing the concern expressed by the Advisory Committee and the Board. The Board welcomes these steps.

Procurement manual

83. Regulations, rules and manuals constitute important tools of the system of internal control. The Board was concerned that drafting of certain sections of the new procurement manual and policy guidelines had not advanced in accordance with the plan. In view of the substantial reorganization introduced in the Procurement and Transportation Division and inadequate internal controls, the Board considers that it is essential to prepare the manual early so as to give the necessary guidance to concerned staff.

84. According to the Administration, the drafting of a procurement manual is a complex undertaking and a great deal of time had been required in its preparation. However, it expected to complete the task by December 1996. The Board recommends that the task should be closely monitored.

Management information system

85. In his report of 9 February 1996 on the implementation of procurement reform (A/C.5/50/13/Rev.1), the Secretary-General informed the General Assembly that comprehensive management information statistics had been developed and were being further refined to provide all levels of management with information on a regular basis so as to facilitate workload and performance measurement and planning of staff resources.

86. The Procurement and Transportation Division told the Board that with the advent of the Integrated Management Information System (IMIS) and the upgrading of the Reality System, an internal reporting system is currently under development. The Board notes with concern that progress made in this crucial area is slow. For instance, the Board's examination disclosed that a unified management information system for the Division was yet to be fully established. A systematic and reliable management information system is essential both to the procurement process and to Management in exercising control over the procurement process.

87. The Administration agreed with the Board about the essential nature of the management information system and stated that the delays in institutionalizing the reporting system were attributable to the technical problems experienced in updating the Reality System for integration with IMIS and DOS and the related staff-training requirements. Moreover, the general delay experienced by other users in the implementation of IMIS and the priorities associated with the reorganization of the Procurement and Transportation Division also had an impact on the system. However, a database of vital procurement data, which is a progenitor of the management information system, had been functional in the Commodity Procurement Section of the Division as a temporary arrangement until a unified management information system is fully established. The Board recommends that the Administration should take effective measures to establish the comprehensive unified management information system expeditiously.

88. The Board noted that the Procurement and Transportation Division had no readily available data on cases of procurement above $500,000, which were exempted from the bidding process, and those in which Immediate Operational Requirement requisitions were received. The Administration attributed this to the limitation of the data fields in the Reality System. It stated, however, that the System provided information on the various permissible exceptions to bidding by accessing each of them separately. The Administration could also retrieve information regarding cases above $500,000 by running all purchase orders of this and higher amounts. Additionally, Immediate Operational Requirement as a field was added to the programme in June 1996 and steps were being taken to enhance the Reality System as a whole in order to generate comprehensive management reports.

89. The Board considers that, even with the above modifications, the system is inadequate and recommends that the Administration take prompt action to resolve the deficiencies in the Reality System so as to generate comprehensive management information.

Vendor roster

90. As of May 1996, the initial phase of the registration review, which consists of re-registering the already listed vendors, was nearing completion. About 1,200 suppliers had been registered under the new arrangement by April 1996. For the second phase, the identification of new vendors had begun.

The Board was informed that Member States had been given master copies of the registration package of the Procurement and Transportation Division for distribution among potential suppliers from their countries.

91. The Board's review of selected cases relating to the first phase of the re-registration process disclosed that none of the cases was reviewed by the Chief of the Procurement and Transportation Division as provided in the procurement manual. The Administration clarified that this was because the authority to perform this task had been delegated to procurement officers because of the large number of applications received at that time. The Board was also told that under the revised procurement manual relating to supplier procedures, promulgated in June 1996, the review of applications has been dispensed with unless the applicant had not passed the evaluation requirements. The Board suggests that the evaluation criteria and the established procedure should be reviewed over time to see whether any further modifications are required.

92. The revised vendor roster was prepared by the Procurement and Transportation Division on the basis of a certified copy of the financial report of each prospective vendor for one year. Further, vendor performance reports and references from outside agencies, as required in the registration forms, were not on record. The Board also did not find any evidence to justify the classification of the suppliers as large, medium or small entities. The Board further noted that although the Reality software package has a vendor performance evaluation ability, this is not being used. The Administration informed the Board that, with the implementation of the revised supplier procedure, evaluation of new applicants includes formal contacts with the applicants' references. The Administration will also review various options for classification of suppliers and finalize the criteria based on relevant financial and other parameters. In addition, vendor rosters will be updated every two years and the procedures for supplier performance will be strengthened, as provided under the revised supplier roster procedures. The Board welcomes these measures and suggests that the proposed criteria should be established early to enable periodic evaluation of the vendors' performance on a regular basis to be made.

Geographical base of suppliers

93. In its report of 8 March 1996 (A/50/7/Add.13), the Advisory Committee on Administrative and Budgetary Questions recommended that efforts should be made to develop a roster that would have a wider geographical base. The Board noted from the data furnished by the Procurement and Transportation Division that out of 1,237 re-registered vendors, 1,061 (86 per cent) were based in Europe and the American continent. Forty-eight per cent of the suppliers belonged to one Member State and a further 13 per cent belonged to a second Member State. The Board therefore encourages the Division to ensure that suppliers from a wider geographical base are registered on the vendor roster.

94. The Administration stated that in March 1996 letters were sent to all Permanent and Observer Missions, requesting their assistance in advertising and disseminating the registration procedures for vendors within their countries and in encouraging suppliers to seek registration on the United Nations supplier roster. New sources are also being sought through business journals, catalogues, and seminars or conferences. The Administration expected that this would expand the geographical base of the supplier roster.

Headquarters Committee on Contracts

95. A full-time Chairman of the Headquarters Committee on Contracts was appointed with effect from 1 June 1995. The Chairman is responsible for ensuring that the cases submitted to the Committee are complete and in order. As noted by the Advisory Committee on Administrative and Budgetary Questions in its report of 8 March 1996, the Headquarters Committee on Contracts is required to review the top 20 per cent of contracts, which account for about 80 per cent of the total value of contracts. The Advisory Committee had also recommended that the terms of reference of the Headquarters Committee on Contracts, its composition and procedures should be established expeditiously. As of May 1996, these matters were yet to be finalized.

96. During the period 1 July 1995 to 30 April 1996, the Headquarters Committee on Contracts reviewed 652 contracts, of which 477 pertained to the Department of Peacekeeping Operations. In 272 out of 477 contracts reviewed by the Committee (57 per cent), recommendations were given on an *ex post facto* or partial *ex post facto* basis. Similarly, for United Nations Headquarters contracts concluded during the same period, the Committee had considered 40 out of 175 (23 per cent) on an *ex post facto* basis. The Board considers that the predominance of *ex post facto* reviews indicates absence of procurement planning and internal control and recommends that the Administration should take action to eliminate the incidents of *ex post facto* review.

97. The Administration told the Board that it had issued a memorandum to reduce *ex post facto* submissions to the Headquarters Committee on Contracts. It has also initiated a review of the terms of reference for the Committee.

Systems contracts

98. The Board had recommended, in its report for the 1992-1993 biennium, that the requirement of goods and services for the duration of a proposed systems contract should be assessed in advance and the consolidated requirement should be projected to bidders so as to obtain maximum price advantages.

99. The Secretary-General, in his report of 9 February 1996 on the implementation of procurement reform (A/C.5/50/13/Rev.1) stated that there had been slow progress in identifying and instituting systems contracts. At the time of the Board's review in May 1996, the Procurement and Transportation Division was still in the process of defining more clearly the parameters and scope of the concept of systems contracts. The Administration stated that one of the important prerequisites for developing cost-effective systems contracts is advance procurement planning. The Board observed that advance procurement planning was not generally practised but that, for high-value requirements, some of the requisitioners and the Division were increasingly working towards that objective. The Administration informed the Board that it is making efforts to identify items suitable for systems contracts and to establish a mechanism for procurement of such items through systems contracts.

100. The Board reiterates the recommendation relating to systems contracts contained in its earlier report and encourages the Administration to make more vigorous efforts to identify the goods and services that may be appropriate for such contracts.

Open tendering

101. The Board noted that, despite its previous recommendation that major procurement above $500,000 should be by open tender, this was rarely used in the procurement process. The High-level Group of Experts on Procurement had also recommended that all major contracts should be publicized in hard copy and electronic media as a contracts bulletin. The target date for implementation of the Expert Group's recommendation was February 1996.

102. The Administration explained that because of time and budgetary constraints the Procurement and Transportation Division rarely uses open advertising. The Administration added that it is committed to improving its solicitation procedures by using, for example, newspapers, trade journals, electronic bulletin boards and computer information networks when the supplier roster contains insufficient resources and when the use of such procedures does not compromise its ability to meet critical deadlines. The Administration, however, considers that open tendering generally requires significant lead times and should be adopted on a selective basis in view of the fact that lead times are often extremely short.

103. The Board is of the view that the question of short lead times should be addressed by improved procurement planning methods and recommends that the Procurement and Transportation Division should establish a detailed guideline on methods of invitation to bid covering all aspects of procurement.

Deficiencies in the bidding process

104. The Board had recommended in its previous report that the number and extent of exceptions to bidding should be subject to regular monitoring and review. The Board's scrutiny of a sample of 49 purchase orders with a value of over $20,000, issued between 1 January and 30 September 1995, disclosed that in 27 cases, with a total value of $4.5 million, bids were invited on the basis of nomination of potential vendors by the requisitioners themselves. The Administration explained that the selection of vendors for a particular procurement is determined by the relevant procurement officer and is approved by the Procurement and Transportation Division at the appropriate level required.

105. The Division explained that it relied largely on supplier rosters complemented by its own experience and by trade catalogues and publications. It added that appropriate steps could be taken to inform the requisitioners that they are not permitted to suggest names of suppliers. Further, the deficiencies in the bidding process had been addressed in the revised policy guidelines on the invitations for tenders and selection of suppliers.

106. The Division also accepted the recommendation of the Board that the criteria adopted for selection of vendors should be recorded on the relevant procurement files.

Assumptions used in preparation of the budget and the performance reports

Scope of audit

107. The General Assembly, in its resolution 48/228 of 23 December 1993, had requested the Board to review the development of assumptions used by the United

Nations in the presentation of the programme budget and the performance reports with a view to suggesting possible improvements.

Documenting budgetary assumptions

108. The Board observed that the basis for formulation and development of the budgetary assumptions was not properly documented. The Board suggested that to ensure uniformity, consistency and transparency, the Administration should set out, either in the finance manual or a separate budget manual, the main steps of the budget process, including the formulation and development of budgetary assumptions. The Administration has agreed to pursue the matter.

Factors of budgetary assumptions

Rates of exchange

109. The Administration normally used the latest available rates of exchange for the various currencies to compute the standard cost tables at the end of each year. However, in formulating the initial budget for 1992-1993 and revising the 1990-1991 budget, and in conformity with the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/45/7/Add.14), the Administration adopted the average rates of exchange for the preceding year for computing the standard cost tables instead of using the exchange rate for the latest available month. The Board noted that this method had proved to be more accurate. Since 1994-1995, the Administration has returned to the practice of using the exchange rates of the latest available month.

110. An analysis of the time-series of the exchange rates, especially for two of the major duty stations, Geneva and Vienna, during the period from January 1990 to December 1994 indicated that the movement of exchange rate variations was generally cyclical. The Board therefore recommended adoption of an averaging method for forecasting the operational rates of exchange for the purpose of budget formulation and recosting. The Administration stated that, while the averaging method for forecasting the operational rates have, in the past, proved more accurate, the decision to use this method or the exchange rate for the latest month for budget forecasting and recosting should be made at the time of each recosting. The Board appreciates the need for a detailed analysis of both methods for comparative purposes but recommends that, in view of its established merit, the averaging method should be used as the basis for budget forecasting and recosting under normal circumstances.

Rates of inflation

111. The Administration projected the rates of inflation on the basis of its assessment of the trends and magnitude, as reflected in the Consumer Price Index (CPI), which is collected by the International Civil Service Commission from different duty stations. The Board observed that although CPI data would be a reliable indicator of the erosion of purchasing power in respect of salary benefits, its application for assessing the cost escalation of non-post expenditures, mainly procurement of goods and services, had certain limitations, because a number of major items of procurement required in the major duty stations, such as EDP equipment, stationery items and contractual services, have demand/supply parameters different from those pertaining to the basket of goods constituted for measurement of CPI. The Board therefore recommended that a more appropriate method to determine inflationary assumptions would be to base inflation projections for each duty station on a weighted price index of the

basket of major items normally procured by the duty station, after collecting the necessary data.

112. The Board's review also disclosed that the Administration normally assumed that the annual rate of inflation for the year preceding the biennium would be valid for both years of the biennium. For instance, the proposed programme budget for the biennium 1994-1995 had been computed on the basis of the annual rate of inflation for 1993. The Board observed that this had resulted in significant budget variations, especially in the larger duty stations. The Board noted that the actual annual inflation rates in New York for the years 1992 to 1994 were lower than those projected in the budget. Similarly, the annual inflation in Geneva was 1.6 per cent during 1994 as against the assumed rate of 4 per cent for that year.

113. The Administration agreed that there was scope to improve the techniques for costing, especially for major duty stations, but pointed out that the difficulty in collecting the inflation data tailored to the particular consumption pattern of each duty station should not be underestimated. The Administration proposed to develop a questionnaire, relevant to each major duty station, which would facilitate the review of price increases.

Delayed recruitment factor

114. In computing the provision for the delayed recruitment factor, the Administration makes a distinction between Professional and General Service categories of posts and between continuing and newly established posts but does not distinguish between the various duty stations. The Board's analysis of the actual vacancy rates at different duty stations disclosed that there were wide variations. For instance, during 1994, the actual vacancy rates in New York for both Professional and General Service categories were lower than the assumed rates, but in some large duty stations such as Geneva, Vienna and Nairobi they were higher. The Board also observed that since 1990 the actual vacancy rates for all duty stations away from United Nations Headquarters, taken together, were generally higher than those in New York.

115. Considering that the standard cost of each post differs in terms of post adjustment and the percentages attributable to common staff costs, the adoption of a uniform vacancy rate for formulation of budgetary proposals for staff costs is likely to give rise to significant inaccuracies. The Board therefore recommended that the Administration should determine the assumptions relating to delayed recruitment and staff turnover in respect of each major duty station separately, bearing in mind past trends.

116. The Administration stated that the earlier practice of adopting location-specific vacancy factors had created certain impressions of imbalances among the different duty stations which necessitated a change to the present practice. It also mentioned that, based on a recommendation from the Advisory Committee on Administrative and Budgetary Questions, the General Assembly had agreed on the concept of a uniform vacancy rate for the Organization as a whole, as evidenced in the review of the proposed programme budget for 1994-1995. In appreciating the technical validity of the Board's recommendation, the Administration felt that it was nevertheless expedient to continue with the current practice.

Budget performance reports

117. The first budget performance report, presented in the first year of the biennium, is confined to the impact of inflation, variations in the rates of

exchange and requirements related to the decisions of policy-making organs which cannot be deferred to the subsequent biennium. The first budget performance report therefore projects additional requirements or decreases, as may be, attributable to policy mandates and costing assumptions on the basis of the observed data, without taking into account the actual trend of expenditures and disbursements.

118. The Board is of the view that using the actual expenditure of the first year, in place of the assumptions formulated earlier for both years of the biennium, would give a more accurate assessment of the overall requirements as compared to the initial budgetary appropriations. The Board considers that the nexus established between the rates of inflation and the exchange rates and the staff costs, through the intermediary parameters of post adjustment multipliers and cost-of-living adjustments, is at best an approximation and cannot be a substitute for actual trends of expenditures. The Board also noted that, in particular, the actual vacancy rates for the first year of the biennium, which were higher than those assumed for the budget formulation, were not taken into account in determining the revised budget.

119. The Board's analysis further established that such approximations are likely to be inaccurate in respect of non-post items due, for example, to any built-in provision for inflation in the original cost estimates or to technological advances resulting in declining prices, as in the case of the electronics industry. In such cases, the Board considers that only the actual trends of expenditures would give an accurate idea of the resource implications.

120. The Administration described the difficulties in using actual expenditures as the basis for making adjustments through the first performance report and felt that it would be unrealistic to review requirements based on expenditure trends in the first six months. However, it proposes to review the trends of vacancy rates with a view to determining, at the time of the first performance report, whether any adjustments are required. The Board welcomes this decision.

121. The Board noted that the second budget performance report is prepared on the basis of actual expenditures for the first 18 months of the biennium but does not report the actual expenditure figures. The Board considers that with the implementation of Release 3 of IMIS, it should be possible to obtain expenditure figures up to the end of September of the second year of the biennium for inclusion in the second performance report. The Board accordingly recommended that the Administration should report actual expenditures for the first 21 months of the biennium and projections for the remaining 3 months as part of the second performance report, so as to provide more accurate and reliable information to the legislative bodies concerned. The Board also suggested that instead of inserting new assumptions in the standard cost tables at that stage to arrive at the final appropriations, the Administration should use the actual expenditure figures for 21 months and the projections for the remaining three months in the standard cost tables.

122. The Administration stated that the current accounting system does not permit the starting point for expenditure analysis to be a later date than the actual expenditures for the first 18 months of the biennium. However, it agreed that the manner in which inflation is explained in the performance reports required further elaboration, which would be done in future reports. The Administration also stated that, because of time and resource constraints, it would be difficult to provide a more detailed expenditure analysis in the second performance report.

123. The Board trusts that the Administration will keep the matter under review and consider improving the formats of the budget performance reports further, in the context of implementation of Release 3 of IMIS, by providing information relating to the actual expenditure figures.

Revenue-producing activities

124. The Board noted with concern that there has been a steady decline in net income from revenue-producing activities in recent years. For instance, net income declined from $10.2 million in 1990-1991 to $8.8 million in 1992-1993 and to $0.5 million in 1994-1995. The steep decline in net income in 1994-1995 compared to the previous biennium is attributable to a reduction in the gross turnover by $3.1 million between 1992-1993 and 1994-1995. At the same time, there was an increase in total expenditures by $3.8 million, from the 1992-1993 to the 1994-1995 biennium.

125. During the 1994-1995 biennium there was a decline in the net income realized under all but two revenue-producing activities - garage operations and the news-stand. While the United Nations Postal Administration (UNPA) accounted for most of the decreases ($6.4 million) in the net income as compared to the previous biennium, the net income of the gift centre fell from $1.9 million to $1.2 million and the sale of publications from $3.5 million to $1.8 million. During the same period, the excess of expenditures over income of services to visitors increased from $1 million in 1992-1993 to $1.9 million in 1994-1995. Except for garage operations, expenditures for all other activities increased during 1994-1995 over 1992-1993.

United Nations Postal Administration

126. The Board was concerned that the net income over expenditure of UNPA declined by $6.4 million, from an excess of income over expenditure of $4.1 million during the previous biennium to an excess of expenditure over income of $2.3 million during 1994-1995. While the gross receipts of UNPA decreased by $5.6 million, total expenditure increased by $0.8 million. Despite a decrease in gross turnover, staff costs increased by $1.1 million (excluding $0.5 million paid additionally as termination indemnity for separated staff) during 1994-1995 as compared to the preceding biennium. At the same time, expenditure on general temporary assistance, to fulfil philatelic orders, remained more or less at the same level of above $2 million, in spite of a reduction in turnover and in the number of customers and dealers. The Administration considers that a decrease in dollar value of orders may not necessarily reflect a proportionate reduction in labour requirements.

127. UNPA undertakes the sale of United Nations postage stamps through standing-order and regular-order customers and dealers. The Board noted that the total number of standing-order and regular-order customers fell by 20 per cent during 1994-1995 compared to the previous biennium. The sale of United Nations postage stamps to these customers declined from $20.8 million to $16.3 million. The volume of sales of stamps through dealers also fell, from $8.6 million to $6.4 million during 1994-1995. The Administration informed the Board that although there is a worldwide decline in philatelic sales, UNPA has not yet developed a marketing strategy but has planned certain special campaigns during 1996. UNPA also told the Board that the appointment of a marketing officer who would be responsible for the development of a marketing plan was considered but could not be processed owing to insufficient resources. The Board recommends that in view of the decline in turnover and the increasing expenditures, the

Administration should devise an appropriate marketing strategy, taking into account the possibility of increasing dealer sales, which is more cost-effective. The Administration should also consider possible measures to minimize the cost of sales, as part of the strategy.

Integrated Postal Administration System

128. In 1995 UNPA set up a new computer system (Integrated Postal Administration System) in Vienna, Geneva and New York for mail order and inventory management, at a cost of $0.6 million. However, the computer system remains underutilized because the coordination module for supervisory control has not been completed. The Administration stated that it was discussing with the vendors ways of resolving the outstanding issues. The Board recommends that the remaining modules of the system should be installed early to enable UNPA to exploit the full potential of the computer system.

Terms and conditions of purchase orders for printing

129. In accordance with the standard terms and conditions of printing established by UNPA, stamps of inferior quality supplied by printers are liable for rejection. UNPA's test check during 1994-1995 revealed that 10 per cent or more of the stamps in 9 out of 22 denominations was sub-standard. However, UNPA did not reject and return the sub-standard stock. In the other 13 denominations, the extent of substandard stamps varied between 2 and 8 per cent. The Administration stated that most of the sub-standard stamps would be used for display material and first-day covers. The Board recommends that UNPA should enforce more stringently the provisions on standards for printing of stamps to ensure the supply of stamps of acceptable quality.

Sale of publications

130. While the gross turnover from the sale of publications ($16.2 million) during 1994-1995 increased marginally as compared to the previous biennium, net income from the sale of publications decreased marginally as a result of the higher cost of sales of $4.3 million as compared to $3.6 million in 1992-1993. The excess of income over expenditure also declined from $3.5 million in the previous biennium to $1.8 million because of an increase in staff and personnel costs and operating expenses.

131. In its report for the biennium 1992-1993, the Board had pointed out that a large number of copies of publications were disposed of between 1983 and 1993 and had recommended that excessive printing of publications should be avoided. The Board noted that the number of copies of official records disposed of in 1994 continued to be high, and it recommended that the Administration should determine the print runs of publications more judiciously through selective readership surveys. According to the Administration, since early 1992, the Sales and Marketing Section of the Department of Public Information has been able to reduce the print run requirements substantially. The Department has also started readership surveys for the "Blue Book" series, which would be expanded to other publications in due course.

Services to visitors

132. Excess expenditures over income for services to visitors has been increasing during the last three bienniums, from $0.6 million in 1990-1991 to $1.9 million in 1994-1995. While the Board appreciates the view of the Administration that the guided tours are to be seen more as a public relations

exercise, it has also to be borne in mind that, as far as possible, such activities should be self-sustaining. The Board therefore recommended that the Administration should aim to reduce expenditure for this activity, which has increased at the rate of about 10 per cent per biennium since 1990-1991, while the income has remained unchanged over the same period.

133. The Administration clarified that the restrictions imposed because of security considerations had resulted in a negative impact on revenue growth. However, the average daily number of tours per guide had increased from 3.93 in 1993 to 4.5 in 1996. In addition, overtime costs had been eliminated for weekends, holidays or occasional evening tours. The Administration also proposes to increase ticket prices for adults beginning in 1997, which is expected to improve income generation.

Technological Innovations Programme

134. In its report for the biennium 1992-1993, the Board had pointed to the need to strengthen the Technological Innovations Programme, which is expected to increase the efficiency, quality and cost-effectiveness of conference services. The Board reviewed the progress achieved in the biennium 1994-1995.

Optical Disk Project

135. Phase II of the Optical Disk Project was to provide, by 1995, access for 1,900 users, including 60 Permanent Missions, but the actual achievement was 401, or 21 per cent of the target, as of November 1995. The total allotment for three phases was $8.1 million, against which an amount of $7.8 million had been committed on items such as facilities management, maintenance and equipment, and work station license fees. The Board's review, therefore, disclosed that even though 96 per cent of the allotment had already been spent, the targeted outputs, in terms of user coverage, had not been achieved. Further, certain crucial aspects relating to the system, such as the absence of a disaster recovery plan and the revision of index numbers, which were pointed out by the Audit and Management Consulting Division in May 1993, were to be sorted out with the supplier of the system.

136. The Administration explained that in spite of severe resource constraints in the Electronic Services Division, which had responsibility for this matter, there had been an increase in the rate at which new users were connected to the system and that it would be possible to achieve the target of 1,620 users included in the proposed programme budget for the biennium 1996-1997; as of May 1996, the number of connections had increased to 862 (53 per cent).

137. The Board noted that the Administration had since accelerated the pace of user coverage; it recommends that sustained efforts should be made to establish contacts with target groups and encourage them to make use of the facility by providing the required information on the utility of the system.

Translation

138. The programme budget for 1994-1995 provided for procurement of 243 workstations with a view to facilitating on-screen editing and translations through access to computerized database, including the use of text-processing workstations equipped with machine-assisted translation. The objective was to provide one such workstation to each translator. The Board noted that as against the above target, only 120 workstations could be installed as of

30 September 1995. Moreover, in the absence of an appropriate software for machine-assisted translations, the workstations, though being used for terminology and reference searches, retrievals from the optical disk system and on-screen translation, were not capable of the full utility envisaged.

139. The Administration stated that even though $830,000 had been provided in the 1994-1995 programme budget for procurement of equipment, a review had established the need to procure machines with higher capability and therefore, with the resources appropriated, 120 workstations for translators and 16 personal computers for editors were purchased. It also mentioned that provision had been made in the 1996-1997 programme budget for the acquisition of a machine-assisted translation software. The Administration further indicated that extensive testing of existing software packages was needed before a determination could be made as to whether those packages were suitable for the needs of the Organization.

Calendar of conferences and meetings

140. According to the 1994-1995 programme budget, a computer database for the management of the calendar of conferences and meetings was expected to become fully operational in order to facilitate the development and control of the calendar and the actual use of conference services and meeting facilities worldwide. The Board noted, however, that only a basic database with limited use for interpreters' assignment had been established.

141. The Administration informed the Board that, in spite of the above, they were able to provide all required information to the legislative bodies concerned in order to monitor conference services. In appreciating the position, the Board suggests that action should be taken early to develop the computer database as originally programmed with a view to enhancing the efficiency of the system.

Translation services

Translation through regular and temporary staff (internal)

142. The Board's review disclosed that the emoluments of temporary assistance staff are first charged against the existing regular vacancies available in any given month and the balance is then charged to temporary assistance. The Board also noted that the Administration did not maintain separate statistics on the output of work of regular staff and temporary assistance staff. Consequently, the output of work in any month for each category cannot be correlated to work standards. The Board considers that the practice followed by the Administration results in inefficient evaluation of the respective outputs, and it recommends that separate output data for regular and temporary assistance staff categories should be maintained. The Administration should also review the output of the temporary assistance staff against the total expenditures incurred for their engagement.

143. The Board also observed that in computing the annual translation capacity of the staff, the Administration assumes a provision of 18 per cent for the time spent on activities such as précis-writing and terminology research. The Board's analysis of the data furnished by the Administration indicated that this assumption required refinement. The Board therefore suggests that the actual time required for such activities should be determined more precisely and that

the workload standards and corresponding total annual translation capacity of the regular staff should be adjusted.

144. The Administration stated that it was possible to establish a relationship between total output and workload standards. It added that, since the combined output of regular staff and temporary staff was higher than the combined output that could be expected on the basis of the workload standards, there was no need to maintain separate output statistics.

145. The Administration also felt that in the absence of a fully developed costing system, it is difficult to establish specific ratios between the cost of different translation methods. The Board considers that the system needs to be streamlined at an early date.

Translation through contractual service (external)

146. In its report for the 1992-1993 biennium, the Board had pointed out the need to utilize contractual translation to the maximum extent possible because it is the cheapest mode. However, further review by the Board disclosed that the services of only 50 per cent of the translators on the roster for contractual services had been utilized during the three-month period examined. The Board therefore recommended increasing their utilization.

147. The Administration stated that contractors might have commitments with other organizations and were not always available to accept work from the United Nations, and that some translation work could not be done contractually. The Board, however, observed that the roster contained the names of several persons, including retired United Nations officials, who were conversant with the special requirements of the Organization. The Board therefore encourages the Administration to tap this cheaper mode of translation to the maximum extent feasible. The Board also suggests that the Administration should undertake more detailed planning and coordination to achieve the maximum possible utilization of their services.

Costing of conference services

148. Efficient management of facilities and services presupposes that the Administration would be able to control costs by regularly collecting the required data and would undertake thorough cost analysis to consider alternatives. The Board's review, however, disclosed that the Administration had not yet developed adequate cost data in respect of the various conference services to enable any meaningful analysis and control to be undertaken. The Board noted that a limited exercise had been undertaken in 1995 by the Office of Programme Planning, Budget and Accounts to determine the comparative costs of meetings held in New York, Geneva and Vienna, but the results were not conclusive.

149. The Board attempted to assess the costs of meetings and documents from the available data, but its efforts could be only tentative in the absence of separate data relating to pre-planning and planning activities, work related to coordination, document control, and distribution. An accurate apportionment of costs in respect of translation, text processing and reproduction relating to other departments, such as the Department of Public Information, was also not feasible in the absence of details. The Board's analysis of the available data, however, indicated that there were significant fluctuations in the per unit costs from year to year, which was not comparable with the annual increases provided in the programme budgets.

150. The Board underscores the need to develop reliable cost data during 1996-1997 on the various conference service activities and would encourage the Administration to undertake a detailed exercise in this regard. The Board also considers that an in-depth review of the costs of conference services by a specialist/consultant would be advisable.

151. The Administration acknowledged the need to develop an appropriate system for costing conference services.

Workload standards

152. The Board had recommended, in its report for the 1992-1993 biennium, that workload standards should be revised upwards consistent with the introduction of information technology in conference servicing, but this recommendation has still not been implemented. Considering that the existing standards were originally established in 1977, though reviewed by Advisory Committee on Administrative and Budgetary Questions and the General Assembly in 1980 and 1990, the Board is of the view that a detailed review and possible upward revision is overdue.

153. The Administration stated that the existing standards are comparable to those used by other organizations of the United Nations common system and that in some cases they are higher than those recommended by an inter-agency working group in 1992. Also, reliance on workload standards is being gradually replaced by a benchmark system in which performance will be monitored against previously achieved levels. The standards had been brought to the notice of the General Assembly in 1993 by inclusion in the proposed programme budget for 1994-1995, and there were no pronouncements on the issue. The Administration also stated that actual output levels are kept constantly under review. The Board, however, considers that periodic upward revision of workload standards is necessary, and it reiterates its recommendation.

Standardization of equipment

154. In its report for the biennium 1992-1993, the Board pointed out that no instructions had been issued by the Technological Innovations Board regarding standardization of hardware/software to ensure that future acquisitions and development of systems and software do not cause problems of integration with the IMIS. The Board noted that the Working Group of the Technological Innovations Board did not meet during the biennium 1994-1995 and that two draft software standards submitted for approval were not issued. There is also no stated policy in the Organization as yet on the use of information technology. The Board would encourage the Administration to establish during 1996-1997 an appropriate policy, which should provide standardization of hardware and software.

Human resources management

Consultants and experts

155. In its report for the biennium 1992-1993, the Board had pointed out certain deficiencies in the engagement of consultants, especially in the economic commissions. During 1994-1995, the Board reviewed the procedures for identification, engagement and evaluation of consultants at Headquarters, including consultants for technical cooperation activities under the Department for Development Support and Management Services, at the United Nations Office at

Geneva and the United Nations Office at Vienna, and in the economic commissions. The review was conducted through test examinations of special service and reimbursable loan agreements of international consultants.

156. In 1994-1995 Headquarters engaged 1,178 consultants at a cost of $5.4 million. The Department for Development Support and Management Services arranged 1,031 consultancies for technical cooperation projects at a cost of $14.6 million. The United Nations Office at Geneva, on behalf of the various United Nations organizations in Geneva, awarded 544 consultancy contracts in 1994 and issued nearly 700 special service and reimbursable loan agreements with a value of $4.8 million in 1995. The United Nations Office at Vienna awarded 286 consultancy contracts valued at $0.55 million in the biennium 1994-1995.

Establishing the need

157. The Board was broadly content that consultants were employed after establishing that the internal resources could not provide the expertise required and the assignments generally extended beyond the day-to-day work of the Organization.

Defining the requirement

158. The terms of reference should provide a detailed breakdown of the work the consultant will be required to undertake, the timetable for delivery, the expertise and qualifications required for the assignment and other details to facilitate selection of the consultants and evaluation of their performance. In 71 per cent of 21 samples examined at the United Nations Office at Geneva, the contracts contained only a brief description of the assignments and no detailed terms of reference. When terms of reference were included, they failed to provide specific targets and delivery dates against which the performance of consultants could be measured. This undermined the Organization's ability to control and monitor the contracts and to determine whether consultants had achieved the objectives in terms of quality and cost.

159. In the Department for Development Support and Management Services, the Board noted that the quality of the terms of reference was poor in the majority of samples examined. The Department agreed with the Board that the terms of reference needed to be improved and has issued new guidelines for substantive divisions on the preparation of terms of reference.

160. The Board recommends that the Administration should issue guidelines to all substantive departments and requesting organizations on the need to prepare terms of reference in a more precise and output-related manner and to include objectives, targets and delivery dates. Terms of reference should also form part of the contracts.

161. The Administration informed the Board that all departments and offices away from Headquarters would be asked to provide detailed terms of reference as recommended. It also proposes to issue guidelines on preparation of terms of reference, as recommended by the Board.

Identification of candidates

162. Substantive departments and requesting organizations undertake the initial identification of candidates once they have established work requirements. Test examination of 35 contracts at Headquarters disclosed that in 46 per cent of the cases, only one candidate had been identified but the Office of Human Resources

Management approved those cases without enquiring whether the requesting departments had fully considered alternate candidates. For contracts let by the Office itself, the selection of consultants was on a single candidate basis in about 20 per cent of the cases examined.

163. The Board noted that over 80 per cent of the candidates at the United Nations Office at Geneva were identified either from personal contacts or recommendations or from having had previous contractual arrangements with the Organization. Further, in 66 per cent of the sample cases examined, requesting organizations had identified only one candidate for selection.

164. The Board also noted that in 16 out of 36 consultancy contracts awarded by the Economic and Social Commission for Western Asia (ESCWA) from 1992 to 1995, only one candidate had been identified before selection. Similarly, in 18 cases reviewed in the Economic Commission for Africa (ECA), only one candidate had been considered and identified in each case.

165. The Department for Development Support and Management Services continued to recruit from a limited pool of individuals. In 1994 some 20 per cent of individuals had already been recruited one or more times previously in the year. The extent to which alternative candidates were identified for assignments was limited. In a sample of 24 recruitment actions in the Department in 1994, the Board found that in each of 22 cases (90 per cent) only one candidate had been identified and submitted for recruitment, although the Department stated that more than one candidate may have been reviewed by substantive offices prior to submission for recruitment. The main explanation for the sole candidate recruitment was that the candidate was a recognized authority in the field with no known alternate and had previous consultancy experience in the United Nations project field, and that there was a need for continuity.

166. The Board is concerned that, if a wider source is not used, there is increased risk that other suitable qualified candidates may not be considered and that poor value for money will be obtained. The Board therefore recommends that the personnel services within the Organization should challenge more rigorously all proposals for consideration of a sole candidate for recruitment. The Administration agreed that consultants should be selected on a competitive basis, and it proposes to take appropriate measures in this regard.

Maintenance of rosters

167. The Office of Human Resources Management informed the Board that since the advent of IMIS, its roster of consultants had been suspended because of technical problems; it expected to make the roster operational when those problems were resolved.

168. At the United Nations Office at Geneva, the Board noted that the central roster was not maintained and was of limited value in identifying suitable candidates on behalf of the requesting units. Some of the organizations had established their own rosters; others depended on informal lists kept by project managers.

169. For the United Nations Office at Vienna, the Administration explained that personnel services had been given access to databases kept by the requesting units as consultants' rosters.

170. For ESCWA, the Administration informed the Board that a roster will be maintained for a wider selection choice.

171. For the Department for Development Support and Management Services, the last major updating exercise of the New York roster was undertaken in 1987. In 1994, while some 400 names were removed from the roster, only 40 names were added to it despite the availability of a large number of curricula vitae. The Board found that the roster was little used in 1994. The Department informed the Board that because of staff resource constraints, roster maintenance has not been undertaken by staff of the appropriate level or experience, and that reductions in technical advisory capacity resulting from restructuring and decentralization have left technical advisers with less time to evaluate candidates for inclusion on the roster.

172. The Board recommends that updated central rosters should be re-established at Headquarters, in the Department for Development Support and Management Services, at the United Nations Offices at Geneva and Vienna, and in ESCWA. These rosters should be combined with local rosters developed by substantive departments and requesting organizations to select the most qualified and best available candidate.

Sourcing consultants from a wider geographical base

173. Nearly 80 per cent of the consultants engaged by Headquarters in the 1994-1995 biennium were from 12 developed countries. The Administration stated that the primary consideration in selection of consultants was the nature and complexity of the services to be provided and the degree of expertise required to accomplish the task. However, the Administration agreed with the Board regarding the need to engage consultants on a wider geographical basis, including from developing countries and proposes to write to the executive offices on this matter.

174. The Department for Development Support and Management Services continued to recruit consultants from a limited number of developed countries. Four developed countries accounted for 47 per cent of all contracts established in 1994. The Department believes that the increased use of locally recruited experts in developing countries compensates to some extent for the absence of adequate candidates from those countries as internationally recruited consultants. This use of locally recruited experts as national professionals on Department projects has increased by 37 per cent since 1992-1993.

175. The Board recommends that the objective of attracting consultants on a wider geographical basis should be achieved by fixing appropriate norms and by closer interaction with substantive offices and requesting units at all duty stations.

Lead time for selection of consultants

176. In some cases test-examined at Headquarters, the period between the request for consultants and the starting date of the contracts was 18 days or less, which restricted the scope of identifying alternative candidates. In the Department of Public Information, 36 per cent of the 50 special service agreements of individual contracts examined were signed after the starting dates of the contracts and in 12 per cent of the cases, after the work was completed. Similarly, in 50 per cent of 35 cases test-examined in the Office of Human Resources Management, the consultants signed the contracts after the starting dates. In two cases, they were signed after the contract period was over.

177. At the United Nations Office at Geneva, in 33 per cent of the cases examined, approval of the contract by the personnel services section was given

after the starting date of the contract. In two cases, the requesting units did not seek the approval of the personnel section until after the completion date of the consultancy. The Board pointed out that at the United Nations Office at Vienna the requesting units needed to plan their use of consultants on a more formal and timely basis, giving greater attention to identifying possible candidates and providing clear reasons and justification for selection. They should also provide adequate lead time to personnel services to process the cases.

178. Similar delays were also noted in the economic commissions. In ECA, for instance, there were cases in which special service agreements were signed after the starting date or after the termination date of the contracts. Similarly, in ESCAP, in 20 out of 30 institutional contracts examined by the Board the contracts were signed after the starting date. The Administration of ECA has since taken action to improve the procedures for timely approval of special service agreements.

179. In the Department for Development Support and Management Services, the test sample indicated that in 19 cases (80 per cent), the lead time provided by requisitioning offices allowed less than three weeks before the starting date of the assignment. The average lead time was about five days, which clearly limited the scope for the Department to identify alternative candidates. The high proportion of rush cases was indicative of inadequate planning. The main reasons for rush recruitment appeared to be: other work pressures, absence on mission, and the need to speed up the recruitment process and in some cases to ensure that the candidate put forward was selected. The Department has stated that substantive offices are taking steps, in conjunction with department-wide efficiency reviews, to schedule project inputs in a timely manner so as to avoid rush recruitment.

180. The Board considers that it is important for the Administration to remain continually involved in forward-planning of project and programme personnel needs. The Board recommends that the Administration regularly assess and predict future project and programme personnel requirements.

181. The Board considers that more detailed planning by requesting departments and organizations would result in substantial improvement in the quality and transparency of selection of consultants. The Administration should therefore require requisitioning units to give adequate lead time for recruitment action to the various personnel services within the Organization. The Administration agreed to remind all regional economic commissions and the Department for Development Support and Management Services to improve planning as well as procedures for timely approval of special service agreements.

Level of remuneration

182. The Board noted that, aside from a few exceptional cases, the level of remuneration at Headquarters was generally determined in accordance with established standards. There was no case of advance payment of remuneration and in most cases the payments were directly related to the amount of work to be completed. The Board was also generally satisfied that the range of fees negotiated at the United Nations Office at Geneva fell within the guidelines.

183. At the United Nations Office at Vienna in a number of cases, individual consultants had authorized payment of their remuneration to be made to a project director in the region, but there was no evidence to confirm that the consultants had received their entitlements. The Board was informed that the

Vienna Office has since established more effective procedures for making payment to consultants in field projects.

184. In ESCAP and ECA, the basis for fixing remuneration was not recorded and the personnel division did not question the reasonableness of the fees suggested by the requesting departments. The Board suggests that the basis for fixing remuneration of consultants should be clearly recorded.

185. The Board's analysis of statistics on consultants' fees of the Department for Development Support and Management Services revealed that the daily average rate paid by the Department in 1994 was $485, although rates varied from $350 to $700 per day for different fields of activity. The Department stated that in recent years the level of fees paid to consultants had remained relatively stable. However, it was also aware that the Organization for Economic Cooperation and Development, which operates in similar fields of activity and has similar requirements for experts, routinely pays consultants some 30-35 per cent less. The Department considered that the relatively high level of fees was in part attributable to some of the highly technical fields in which it operates. To help encourage more rigorous independent assessment and negotiation of fees, the Board recommends that the Department provide recruitment officers with improved access to comparative information on consultants' fees. The Department agreed on the need to develop improved information on consultants' fees through regular analysis of its own statistics and access to comparative data from other organizations.

Managing the consultants

186. At the United Nations Office at Geneva the Board found little documentary evidence to confirm that requesting organizations were maintaining adequate oversight of consultants to ensure that work was delivered to standard. The Board recommends that, wherever possible, arrangements should be made for monitoring the work of consultants as part of the contractual terms of reference. Additionally, guidelines should be established by requesting units to help project managers brief consultants prior to the assignment. The guidelines should also cover reporting in stages to ensure that the work is on track and should give clear instructions on how the consultant should submit the final report or product. The Administration stated that steps will be taken to establish guidelines for briefing consultants before the signing of agreements and, wherever possible, making the final payment output-related.

Evaluation of the performance of consultants

187. At the United Nations Office at Geneva the Board found that, in the cases examined, evaluating officers failed to specify whether the consultants' work had met the terms of reference. Although in 73 per cent of the cases examined the Administration had assessed the consultants' performance as excellent, the assessments did not include the strengths and weaknesses of the consultants to facilitate consideration of them for specific future assignments. Moreover, there was no feedback to the personnel section on those assessments for use in updating the consultancy roster.

188. In ESCWA, the Board noted cases in which performance evaluation reports were not completed and the output of the consultants not effectively monitored.

189. The Board therefore recommends that the evaluation forms should be reviewed to reveal more clearly the completion of the work to acceptable standards and the ability of the consultant to undertake future assignments. There should

also be a system by which the central rosters of consultants are updated with details of their performance reflected in the evaluation reports.

Lump-sum travel scheme

190. The Administration had carried out a review in 1995 on the merits of continuing the lump-sum travel scheme as recommended by the Board in its report for the biennium 1992-1993. The Board, however, observed that in about 50 per cent of cases test-examined at Headquarters, the actual fares paid by the beneficiaries of the scheme was 30 per cent or less than the amount paid to them as a lump sum under the scheme. In more than 10 per cent of the cases test-examined, the actual fare paid by the staff was negligible because they enjoyed various frequent-flier benefits, some of which accrued to them as a result of mission travels.

191. The Administration felt that it was not appropriate to compare the amount of the lump sum with air fare only since the payments are made in lieu of not only air fare but also expenses for unaccompanied excess luggage, daily subsistence allowance for approved stopovers and terminal expenses. The Administration also stated that it had conducted extensive calculations on the practicality of various options before arriving at the 75 per cent margins. Moreover, proof of commercially purchased tickets was a prerequisite for the final settlement of home leave and related travel.

192. The Board suggests that the Administration should further review the reasonableness of the lump-sum travel grant, which is set at 75 per cent of the lowest full economy fare, to see whether a lower percentage would be an adequate compensation.

Medical insurance schemes

193. The medical and dental insurance arrangements of the United Nations comprise five insurance plans administered by different commercial companies in respect of Headquarters and two plans in respect of staff away from Headquarters (other than the United Nations Offices at Geneva and Vienna). All seven plans are administered by Headquarters but other United Nations organizations participate in the schemes. In the case of two plans for staff away from Headquarters, day-to-day administration is carried out by the duty stations around the world, while central accounting and policy issues are handled at Headquarters. The total expenditure per year is $76 million (excluding health insurance expenditures at the United Nations Offices at Geneva and Vienna), of which roughly one third is funded through subscriptions from individual staff members while the balance comes from the organizations concerned.

194. The Board's scrutiny of the pattern of disbursement to the six insurance companies managing the scheme disclosed that in one case the company was reimbursed the entire claims settled by it while in three other cases, annual accounting and settlement are carried out with the insurance companies concerned, following each policy year. In addition, they also receive reimbursement of administrative expenses incurred, which is calculated on a percentage basis ranging from 4 to 7 per cent of the settled claims. The Board was concerned, however, that there was no system of ensuring that the claims submitted by the companies were correct in all respects.

195. The Board therefore recommended and the Administration agreed that a system of periodic claims audit at the offices of the insurance companies be established so that the Administration has some reassurance that the claims are correct and representative of the actual charges for medical care.

196. The Board also noted that four companies had provided medical insurance and health administration schemes to the Organization for periods of between 19 and 46 years continuously. The Board therefore pointed out that the Administration should explore the possibility of obtaining competitive bids from other competent organizations so as to ensure maximum value for money.

197. According to the Administration, regular tendering, which includes changes in plan offerings, might inconvenience staff members and retirees and would be particularly harmful in the case of those assigned on mission. However, the Administration accepted the recommendation of the Board for implementation in future when new insurance plan structures are proposed and endorsed by the Health and Life Insurance Committee. The Board welcomes this but suggests that in the case of the existing plans also, the Administration should invite competitive bids on a selective basis to ensure that the United Nations gets the best possible service at the most competitive rates.

Management of the statistics programme

Introduction

198. One of the roles of the Department for Economic and Social Information and Policy Analysis is to collect, compile and disseminate statistics on a wide range of economic and social topics. The 1994-1995 statistics programme had projected regular budget resources of $21.9 million and extrabudgetary resources of $17.6 million, representing some 44 per cent of the total budget of the Department. There were 135 regular budget posts and 24 extrabudgetary posts assigned to the programme. Staff costs represented over 90 per cent of total planned programme resources.

199. The programme required the delivery of some 139 programmed outputs and activities, including recurrent and non-recurrent publications, technical materials such as databases and methodological guidelines, and ad hoc expert groups. The programme also required the delivery of technical cooperation activities and non-output related activities such as parliamentary services for intergovernmental bodies.

200. The Board examined the management of the statistics programme focusing on the collection, compilation and dissemination of recurrent and non-recurrent statistics in published or other forms. These activities represented some 85 per cent of the statistics programme budget. The Board's examination covered planning and implementation, delivery of planned outputs, performance measurement, review and quality control, and staff development.

Planning and implementation

201. The work programme on statistics is reviewed biennially by the Statistical Commission and includes detailed review of individual outputs and allocation of resources to priority topics. However, within the Statistics Division the Board found little evidence of detailed planning and monitoring of programme outputs. While the board appreciates that individual branches were aware of the timing

and resource requirements for their various outputs, there was a clear need for such requirements to be set out in a more formal way.

202. The Statistics Division has recognized the need for more rigorous planning and monitoring and has now assigned responsibility for the development of an integrated database for planning, monitoring and management of the programme. The Department for Economic and Social Information and Policy Analysis aims to have a functional system in place for all outputs by January 1997.

203. The Board fully endorses the development of a planning and monitoring tool within the Statistics Division. However, it recognizes that, under the present system of United Nations programming and accounting, the forecasting and monitoring of the full cost of each output are not possible. In the meantime, the Statistics Division intends to develop the database further to monitor resource utilization on individual outputs based on budgeted work-months. The Board agrees with the Department for Economic and Social Information and Policy Analysis that such developments should be integrated with similar facilities within IMIS.

204. The current allocation of work-months, as used in the programme budgeting process, represents a distribution of the total available staff resources allocated to the Department for Economic and Social Information and Policy Analysis and the statistics programme. This distribution is largely based on previous experience and not on any detailed analysis of actual performance or the use of work measurement or other zero-based budgeting techniques. To be of real value as a basis for monitoring performance, the budgeted work-months should be based on a more rigorous estimate of the resources required for each output.

205. The Board made a number of other suggestions for the Statistics Division to consider in the context of developing a programme implementation plan:

(a) Each statistical output or activity should be defined as a "project" and be planned on that basis to encourage a "project management" approach;

(b) Planning should also reflect the timing and resource allocation for non-output specific activities, such as parliamentary services. The Board agrees with the Department for Economic and Social Information and Policy Analysis that an appropriate methodology is desirable to enable these activities to be effectively programmed and monitored;

(c) The Department should include efficiency and quality performance targets for each output, as well as plans and targets for quality-control activities.

Delivery

206. The Statistics Division implemented 82 per cent of programmed outputs. This does not take into account time spent on non-output specific activities. Ten outputs programmed for delivery in 1994-1995 and eight outputs originally scheduled for delivery in 1992-1993 or earlier will be carried forward into 1996-1997.

207. The Department for Economic and Social Information and Policy Analysis informed the Board that resource constraints at a time of changing work priorities were the main reason for under-delivery.

208. Staff numbers remained relatively stable over the biennium. However, at the end of the 1994-1995 biennium, expenditure on the statistics programme exceeded the final revised appropriation by some $1.3 million, or 6.8 per cent. This was largely attributed to unplanned staff separations and retroactive post reclassification (some $0.6 million) and to higher real staff costs compared with the standard staff costs used for programme budgeting.

Performance targets and measures

209. The overall objectives of the statistics programme, as stated in the 1994-1995 proposed programme budget, were to increase the availability and use of relevant, timely and reliable statistics to assist national and international policy formulation, action and evaluation. There was no explicit requirement for the Department for Economic and Social Information and Policy Analysis to establish efficiency and quality targets in the programme budget in relation to those objectives and subsequently to report on their achievement. In the Board's view, the stated objectives provided a good basis for developing performance targets.

210. The Board found that the Statistics Division had developed few indicators or targets at the branch or output level for measuring performance in the production of its statistical materials. The Board recommended that the Statistics Division should develop performance targets at output, branch and programme level for their own management purposes and suggests that the following measures might be appropriate:

(a) Timeliness: this would involve identifying the earliest possible publication date of a statistical output with the aim of tightening existing delivery targets. For example, the publication date for the International Trade Statistics Yearbook had been brought forward some eight months over a four-year period through the streamlining of production processes;

(b) Resource utilization: the minimum resource requirements for each statistical output should be assessed and established as a target. In the longer term, the Department for Economic and Social Information and Policy Analysis should aim to identify the full cost of producing statistical outputs;

(c) Coverage: the Department should set, for example, a target number of countries for inclusion in a statistical output. In this regard, the Board was pleased to note that the number of countries included in the International Trade Statistics Yearbook had been increased from 55 in 1994 to 77 in 1995 without using additional resources;

(d) Reliability: the Department might establish quantifiable targets for reliability, such as maximum error rates;

(e) Relevance: the Department needs to develop client feedback mechanisms to provide measures of client satisfaction;

(f) Usage: sales information is not currently available to the Department as a matter of course.

211. The Department agreed that it needed to develop a more performance-focused system of programming and monitoring.

Review and quality control

212. The Board examined the extent to which internal and external review and quality-control arrangements existed within the Statistics Division.

213. On quality control: the Statistics Division reported that a more systematic approach was under consideration. This might involve sample checks of data accuracy, cross checks for consistency with other known sources of data and the use of target error rates which, if breached, would require further checking. The Board fully endorses this initiative.

214. On external review: the Statistics Division has, in recent years, periodically sought to test the quality of its products through regular interactions with international and regional organizations, as well as with national statistical offices, and also by using customer questionnaires. In addition, publications were often provided to specific countries in advance in order to obtain feedback, and informal feedback was obtained through contacts with professional and academic statisticians.

215. The common areas identified by clients as needing improvement are timeliness, relevance and access. The Statistics Division has responded to these concerns through, for example, the development of monthly digests, the limited publication of statistics in CD-ROM format and, more recently, the development of handbooks which provide available data in summarized, more timely and user-friendly format. The Department for Economic and Social Information and Policy Analysis is also actively engaged in developing electronic on-line access to statistical databases.

216. The Department is also piloting the United Nations Economic and Social Information System, which is designed to bring together and coordinate the various statistical databases within the Department.

217. While the Board welcomes these initiatives, in its view the Statistics Division could do more to develop explicit and systematically planned and targeted arrangements for obtaining the views of clients and independent external expertise. For example, a rolling programme of review could be established in which selected individual outputs, or related groups of outputs, could be subject to in-depth review via market survey techniques. The Department for Economic and Social Information and Policy Analysis accepts the need to develop measures of quality to apply to the programme other than data collection, management and dissemination, and will consider the introduction of a rolling programme of external review.

Staff development

218. The Board recognizes that, regardless of the effectiveness of planning, monitoring and evaluation procedures, the quality of the final products is largely dependent on the ability, skills and motivation of the staff assigned to their production. The Board noted that the Department for Economic and Social Information and Policy Analysis operated an active staff-training programme in 1994-1995, which included the upgrading of substantive skills and training in the use of specialized computer applications. The Department proposed to maintain this active training programme in 1996-1997.

219. To further expose staff to substantive, technological and managerial developments in the statistics field, the Statistics Division will be encouraging staff to visit, or go on secondment to, national statistical

offices. This will also help staff to appreciate more fully the constraints and issues faced by the major providers of statistical data to the United Nations. The Board welcomed these developments.

Technical cooperation activities

Introduction

220. The total reported expenditure on projects of the Department for Development Support and Management Services in 1994-1995 was $181 million, including technical support services and nationally executed projects for which the Department was an associated agency. This activity is funded from four main sources: the United Nations Development Programme (UNDP), 58 per cent; trust funds, 30 per cent; the United Nations Population Fund (UNFPA), 9 per cent, and the regular programme of technical cooperation, 3 per cent.

221. The level of resources available to the Department for Development Support and Management Services has continued to decline, due in part to the continued rapid growth of national execution. The level of programme support revenue earned has also continued to decline, due in part to reduced budgets and expenditures, but also due to a further reduction in the rate of delivery relative to budgeted project activities. Reduction in programme support revenue and decentralization to the regional economic commissions led to significant downsizing exercises in the Department during 1994-1995. The new arrangements for technical support services, introduced in the latter half of 1993, were meant to compensate executing agencies, in part, for the loss of programme support revenue. In the first full biennium of implementation, the Department has had to adjust to the new opportunities provided and the new types of work required under technical support services. Against this background, the Board examined: the arrangements for the planning, delivery and evaluation of technical support service work; the action taken by the Department to address low project delivery; the impact of national execution on the Department's operations; and the financial and operational consequences of downsizing of the Department. As part of its review, the Board's staff examined 17 nationally executed projects in which the Department acted as a cooperating agency. The Board's staff also visited two projects in the field - in Uganda and Malawi.

Technical Support Services

222. UNDP established arrangements for United Nations agency support costs at the programme level (TSS-1) and at the project level (TSS-2) in order to recognize, support and strengthen the technical capabilities of the United Nations agencies, and to encourage agencies to provide greater support to developmental activities at a programme rather than project level, especially as UNDP would give priority to national execution of projects.

223. The extent of technical support service activities of the Department for Development Support and Management Services in 1994-1995 is shown in table 1.

224. Of particular concern is the low delivery of budgeted TSS-1 activities, at the programme level, in 1995. The Board appreciates that, because of their complex nature, these activities require considerable input and coordination with UNDP and Governments. The Administration explained that UNDP allocates its TSS-1 resources for a biennial period and that the budget is normally approved in the first year of the two-year period. Unutilized TSS-1 funds are rephased to the second year. The Administration further explained that its TSS-1

Table 1: Department for Development Support and Management Services: technical support service activities, 1994-1995

	Number of projects		Budget		Expenditure		Delivery (per cent)		Income earned	
			(Thousands of US dollars)						(Thousands of US dollars)	
	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995
TSS-1	129	188	3 786	11 444	2 153	3 298	56.9	28.8	1 482	1 848
TSS-2	92	112	3 194	3 891	2 587	2 246	81.0	57.7	2 224	1 894
Total	221	300	6 980	15 335	4 740	5 544	67.9	36.2	3 706	3 742

Source: Department for Development Support and Management Services: Financial Management and Budgetary Control Service.

allocation of $7.2 million for 1995-1996 was only provided to the Department in August/September 1995.

Programme and project delivery

225. In the 1994-1995 biennium, for its main regular budget activities, the Department improved programme performance considerably under the regular budget in comparison with the previous biennium. Delivery of the approved programme under the regular budget rose from 47 to 85 per cent, or 129 per cent taking into account the delivery of an additional 32 unprogrammed outputs.

226. However, on projects giving rise to programme support revenue, the overall delivery rate fell to 64.6 per cent of the budgeted level in 1994-1995, compared with 71.5 per cent in 1992-1993. As reported by the Board in 1992-1993, the impact of under-delivery continues to be twofold: first, the delivery of project outputs to Member States has been delayed, and secondly, the resultant shortfall in programme support revenue has contributed significantly to the need to reduce the number of staff financed from the programme support account for the second biennium in succession. A breakdown of project delivery by source of funds in 1994 and 1995 is given in table 2:

Table 2: Department for Development Support and Management Services: Delivery of project budgets, 1994 and 1995 a/

Source of funds	1994				1995			
	Number of projects	Budget	Expenditure	Delivery (per cent)	Number of projects	Budget	Expenditure	Delivery (per cent)
	(Thousands of US dollars)				(Thousands of US dollars)			
UNDP b/	573	83 128	56 413	67.9	536	75 501	39 499	52.3
UNFPA	164	13 099	7 291	55.7	138	10 001	4 766	47.7
Trust Funds	284	43 463	28 837	66.3	344	30 671	25 785	84.1
Subtotal								
Overhead-earning activities	1 021	139 690	92 541	66.2	1 018	116 173	70 050	60.3
Regular programme (non-overhead earning)	69	3 557	3 340	93.9	85	4 202	4 475	106.7
Total project	1 090	143 247	95 881	66.9	1 103	120 375	74 525	61.9

Source: Department for Development Support and Management Services: Project Management System.

a/ Excluding technical support services and programme support costs.

b/ Includes associated agency and national execution projects.

227. In the Board's view, annual project budgets were often over-ambitious in terms of realistic achievable annual delivery. In some countries problems with delivery either continually occurred or were foreseeable because of political instability or low national capacity, for example. Optimistic project budgets were established even when experience might have suggested a more prudent approach. The Administration agreed that project budgets needed to be revised more frequently to reflect a more realistic work plan.

228. The Board considers that Management should rigorously challenge the assumptions underlying project budgets. The Board understands that such an exercise is already under way but considers that it should be carried out routinely.

229. The Department for Development Support and Management Services does not make sufficient use of work measurement, or other systematic techniques, to assess the extent of achievable project delivery within a given period of time with a given number of staff. In the Board's view, and in the light of continued downsizing, it is essential that the Department accurately estimates the extent of delivery possible. The Board recommends that the Department devise benchmarks, based on previous experience, to test the validity of individual project delivery assumptions and resource allocation. The Administration agreed that work measurement tools needed to be developed.

230. From the Board's examination, low delivery was attributable to a combination of the following factors:

(a) Unforeseen external factors beyond the control of the Department, for example, wars or civil unrest;

(b) Unforeseen external factors in which scope for action by the Department remained - for example, delayed government inputs, both financial and operational, or delayed government approvals for consultants or other inputs;

(c) Internal staffing constraints imposed by downsizing of DDSMS during the course of 1994-1995; and

(d) Other internal factors - for example, poor planning and monitoring of project activities, lack of presence in the field and inefficient work practices and procedures.

231. In the case of external factors, the Board appreciates that it is difficult for the Department to take independent action and that to withdraw from projects is often politically unacceptable. However, given current resource constraints, the Department should, in the Board's view, take stronger action when external factors cause excessive delay in executing project activities. The Board also recommends that the Department consider carefully the internal factors giving rise to delays in project delivery and take appropriate action to overcome those difficulties.

National execution

232. National execution involves Governments assuming overall responsibility for the formulation and management of projects. As part of national execution, support may be provided by United Nations specialized and executing agencies, such as the Department for Development Support and Management Services, to build and strengthen national capacities for the planning, implementation and execution of development projects and programmes. The Department executed as a cooperating agency expenditures totalling $19.7 million on some 117 nationally executed projects in 1994-1995.

233. Between 1992 and 1995, the number of projects in which the Department was the cooperating agency and the total value of cooperating agency budgets have more than doubled. In the same period, as total Department project budgets and the number of agency-executed projects have declined, national execution has increasingly formed a significant proportion of the Department's overhead earning activities (17.8 per cent of total project budgets in 1995). However, each year since 1992, the delivery rate of nationally executed budgets has been significantly lower than for agency-executed projects.

234. The Board examined 17 nationally executed projects in which the Department was involved as a cooperating agency. The projects were selected across all fields of activity of the Department. The Board found two main causes of under-delivery on nationally executed projects.

235. First, project budgets did not reflect the latest revisions and were therefore misleading. Governments appeared slow in approving revised agreements, despite vigorous follow-up action by the Department. The latter hoped that this problem would disappear as Governments become more familiar with using the services of an implementing agency.

236. Secondly, there was a lack of national capacity to execute or manage the projects in a timely manner. For example, the Board examined three nationally executed projects in the field, one in support of the electoral process in Uganda and two in Malawi, and found that:

(a) In Uganda, where the project formulated by the Department had been switched from agency to national execution, the Board found that the project had been implemented successfully. However, the method of implementation had not changed in any material aspects from agency execution and the success of the project could largely be attributed to the international experts put in place by the Department;

(b) In Malawi, the first two phases of the project were agency executed by the Department, while the third phase had been transferred to the recipient national institution for national execution. One of the key factors for the success of the third phase was the quality of the national project management team, who had benefited from the transfer of skills and prior experience gained from involvement in the first two agency-executed project phases;

(c) For the second Malawi project, little activity had occurred since project formulation. This was largely attributable to insufficient national project management. There appeared to have been no prior assessment of the capacity of the Government to execute this project and little effort to address low capacity before embarking on implementation. This project is now to be reformulated.

237. These cases highlighted the need to ensure that capacity is in place before embarking on national execution.

Financial consequences

238. Traditionally, the operational activities of the Department for Development Support and Management Services have been regarded as largely self-financing. For every dollar of expenditure delivered, funding agencies or donors have provided a percentage of additional revenue to cover the overhead cost to the Department. In 1992, UNDP introduced its new programme support cost regime, reducing the percentage programme support cost earned on expenditure on new projects from 13 to 10 per cent.

239. As at 31 December 1993, the programme support cost statements for the Department showed a deficit of $10.9 million. The Department decided to reduce costs by downsizing, the extent of which was calculated to ensure that the programme support account for the United Nations would not have a deficit balance of funds at the end of 1995. In the event, the Department incurred an operating deficit in 1994-1995 of $10.5 million on programme support, which resulted in a cumulative deficit of $3.7 million after utilization of the reserves of the programme support account. The Administration explained that the deficit arose partially from payment of $4.8 million incurred in the Department's apportionment of the Integrated Management Information System, as well as for staff separation costs.

Downsizing

240. As the Department for Development Support and Management Services is the prime United Nations executing agency for operational activities, it has the largest number of posts funded by programme support revenue, and as a result it faced the biggest cut in staff. As at 1 January 1994, the Department had 178 staff members funded by the overhead account against a staff allotment of 119 posts issued at the beginning of the biennium. In total, over the course of the biennium, the Department was required to reduce the number of staff to 81 as allotted at the beginning of the 1996-1997 biennium, a 32 per cent reduction.

As at 31 December 1995, the Department had 119 staff members funded by the overhead account.

241. In addition, the Department was required to downsize regular budget posts. As at 1 January 1994, it had 233 staff members funded by the regular budget, against an allotment of 199 posts. It was required to reduce this number to 178, a 24 per cent reduction. As at 31 December 1995, the Department was carrying 119 regular budget staff.

242. Downsizing took longer than envisaged. The inability of the Department to downsize quickly highlighted the need for a more flexible staffing resource in the future, which, for the Department, might entail greater use of staff on short-term contracts. The Board understands that in 1996 the Department has requested approval to use assignments of limited duration under the Staff Rules 300 series.

243. Until early 1996, the Board could see little evidence of clear strategic management of the downsizing. Cuts were made across the board, with staff who were more mobile or who were on short-term contracts going first. There was a significant reduction in the cadre of technical staff, adversely affecting the Department's ability to improve delivery, undertake technical support services and generate new business.

Programme planning, monitoring and evaluation

Scope of audit

244. In the course of its financial audits, the Board reviewed the efficiency and effectiveness of programme planning, monitoring and evaluation of budgeted programmes in the United Nations. The review was conducted with reference to the relevant provisions of the Regulations and Rules governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, as well as to the Evaluation Manual of the United Nations. The Board's findings are indicated below.

Norms of work-months

245. Professional work-months constitute the main input for programme planning and implementation in the United Nations. The Budget Division in the Office of Programme Planning, Budget and Accounts is responsible for assessing the requested level of resource requirements and the validity of the justifications submitted to support it. The Board considers that this will be feasible only if the basic norms for assessment of work-months are established. It noted, however, that such norms have not yet been established. The Board recognizes that establishing norms for assessments of work-months may be time-consuming or even difficult. However, it should be possible to do so for repetitive activities falling under the category of parliamentary services, published materials, information materials and services.

246. The Board recommends that the Administration should identify departments and activities for which appropriate norms for work-months can be established and should take further action to develop such norms.

Quantification of outputs

247. About 38 per cent of the total work-months is utilized for the implementation of activities that do not generate "final outputs" or which are not quantified. The programme performance reports prepared by the Office of Internal Oversight Services therefore analysed those activities in terms of the professional work-months utilized. According to the Budget Division, the regrouping of the activities in 1992-1993 into eight categories, to replace the notion of programme elements used previously, could facilitate the quantification of more outputs by clustering them under well-defined categories, particularly as regards parliamentary services and published materials.

248. Since monitoring and evaluation of programmes would depend to a good measure on the quantification of outputs, the Board recommends that the Administration should encourage departments to quantify more activities in future budgets.

Inventory of outputs

249. The Board noted that the Central Monitoring and Inspection Unit prepares an inventory of outputs based on the programme citations contained in the approved programme budget of each department. The inventory is then sent to the departments concerned for checking of accuracy. The implementation rates of quantified outputs during 1992-1993 and 1994-1995 were 74 and 73 per cent respectively. The Board considers that the existing procedure of preparation of the inventory of outputs by the Central Monitoring and Inspection Unit on the basis of the approved programme budgets of different departments does not promote initiative, involvement and accountability of the senior management in programme performance. One department, for instance, had reservations about the clarity of the designations of "programmed outputs" and "non-quantifiable outputs" in the inventory of outputs prepared by the Central Monitoring and Inspection Unit.

250. According to the Office of Internal Oversight Services, the present procedure is based on the provisions of the Regulations and Rules governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, which explicitly designated the approved programme budget as the frame of reference against which implementation is to be monitored. While appreciating this position, the Board recommends that the inventory of outputs should be prepared by the respective departments themselves on the basis of suitable guidelines to be issued by the Central Monitoring and Inspection Unit. These should thereafter be reviewed by the Unit to enable more effective monitoring to be done.

Completion dates of outputs

251. The Regulations and Rules governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, provide that each output citation included in the programme budget shall, inter alia, specify programme completion dates. The Board noted, however, that programme completion dates were not generally specified in output citations. Further, the instructions issued by the Office of Programme Planning, Budget and Accounts for budget submissions for 1996-1997 did not specifically require information on output delivery dates. According to the Administration, it was unrealistic to expect programme managers, who submit their budget proposals more than a year in advance of the beginning of the biennium, to indicate the date on which a particular output will be completed.

252. The Board appreciates the difficulty in specifying programme delivery dates in all cases but considers that the current practice, apart from resulting in non-compliance with the prescribed rules, leaves programme delivery schedule open-ended. However, with the recent introduction of six monthly management plans and the performance appraisal system, it should be possible to specify the output delivery dates for a majority of programmed outputs, within the framework of the six monthly management plans. This would make it possible to compare the programme delivery dates with the actual delivery dates while preparing the programme performance report for the biennium.

253. The Board's audit of programme management in a few departments at Headquarters and in the economic commissions indicated that, in the absence of programme delivery dates, programme monitoring was not effective and resulted in substantial delays in programme delivery.

254. The Board noted that in the absence of output completion dates in the proposed programme budgets, the present format of programme performance reports does not indicate instances of delays in delivery.

255. The Board therefore recommends that in order to strengthen the programme performance oversight, the Administration should consider establishing a system for scheduling the output delivery dates of quantifiable activities. Further, delays in the delivery of outputs should also be indicated in the programme performance report of the biennium, which should provide an analysis of the actual programme delivery against given output completion dates.

Monitoring

Central oversight

256. The central oversight of programme monitoring in the United Nations is carried out by the Office of Internal Oversight Services through the Central Monitoring and Inspection Unit. However, the latter has not issued any guidelines to enable the heads of departments to establish internal programme monitoring procedures in accordance with the provisions of the ST/SGB/PPBME Rules. The Central Monitoring and Inspection Unit stated that it issues detailed instructions for reporting programme performance, which provide adequate guidance for departments to establish their own monitoring system. The Board's review of six departments at Headquarters, however, disclosed that formal procedures for monitoring had not been established. The monitoring functions are generally carried out in each department through its own different and informal procedures.

257. The Board recognizes that the internal monitoring system for each department has, to an extent, to be customized to suit its own requirements and functions. It is, however, necessary that the head of each department or office establishes internal programme monitoring procedures based on Central Monitoring and Inspection Unit guidelines. This will ensure uniformity and transparency in monitoring procedures. Formal monitoring procedures will also make it possible to maintain an appropriate monitoring trail for review and evaluation of the quality and effectiveness of the monitoring system. The Board, therefore, recommends that the Central Monitoring and Inspection Unit should issue guidelines to the heads of departments to establish formal monitoring procedures in accordance with the provisions of the Regulations and Rules governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

258. The Office of Internal Oversight Services is of the view that the instructions issued by it for reporting programme performance provide adequate guidance for programme managers to establish their own monitoring system. The Office does not consider that any further guidance would be practical or desirable since each department has to fine tune and emphasize particular aspects of the quantitative and qualitative information it needs to gather to meet its own requirements. The Board, however, reiterates its recommendations for reasons already stated.

259. The Board noted that there was no central information base consolidating the existing monitoring procedures and arrangements at the departmental levels with provision to update it as and when changes are introduced. The Board considers that development of an information base would provide better insight for the departments and the Central Monitoring and Inspection Unit into the detailed monitoring systems and procedures available in each department. The Office of Internal Oversight Services concurred with the Board that development of an information base would be useful and informative, but it added that it is through ad hoc inspections that the Central Monitoring and Inspection Unit can determine the nature of the problems in the control environment and suggest possible remedial measures.

260. The Board recommends that a central database of monitoring procedures should be established and that internal oversight with regard to monitoring of performance in the departments should be exercised more systematically and frequently. The Administration concurred with the recommendation of the Board.

Feedback on programme performance

261. The programme performance report prepared by the Office of Internal Oversight Services is primarily meant for the information of Member States. There is no institutional arrangement under which the Office of Internal Oversight Services and the Office of Programme Planning, Budget and Accounts could share the information available to each of them from the periodic programme performance reports and budget performance reports submitted by departments. In addition, the Office of Internal Oversight Services has not established a system of providing formal feedback to departments on the deficiencies noticed in the programme performance inputs at the end of 12 months and 18 months of the biennium. The Board recommends that such a system be established.

262. The Board also recommended that the Central Monitoring and Inspection Unit should establish closer liaison with the Office of Programme Planning, Budget and Accounts with a view to using the periodic performance reports as an input for future budget formulation. The Administration concurred with the recommendation of the Board regarding the need for more appropriate synergy between the Office and the Unit.

Link between programme performance and budget performance

263. The Board observed that the Committee for Programme and Coordination, at its thirty-fourth session, in 1994, had stressed the need for a closer link between the programme performance report and the budget performance report to provide Member States with a clearer picture regarding the implementation of the Organization's activities. The Board considers that such a linkage would also strengthen the internal control and oversight mechanism and improve accountability for programme implementation. The Office of Internal Oversight Services informed the Board that the 1994-1995 programme performance report

explicitly referred to instances in which the departments had used either too much or too little of their available professional work-months in delivery of programmed outputs and work. The Board encourages the Office of Internal Oversight Services to examine, in concert with the Office of Programme Planning, Budget and Accounts, the scope for further refinement of the report by linkage with budgetary performance, which would improve its usefulness as an instrument of control and accountability.

Monitoring of work-months

264. In view of the predominant nature of work-months as an input into the programme budgets of the United Nations, the Board further suggests that budgeted work-months should be used as a reference point in reporting the progress of implementation of the programmed activities. The Office of Internal Oversight Services informed the Board that the Central Monitoring and Inspection Unit will explore ways of relating the work-months utilized with those budgeted for some recurrent activities.

Compatibility with the Integrated Management Information System

265. The present methodology for central oversight and preparation of the programme performance report needs to be made on line and compatible with the Integrated Management Information System (IMIS). Such an arrangement would strengthen the programme monitoring at the departmental level and improve the synergy between the Office of Internal Oversight Services and senior management. The Office informed the Board that as soon as the necessary data at the subprogramme level become accessible through IMIS, the Central Monitoring and Inspection Unit will capture that information in order to match work-month utilization with the objects of expenditures.

Internal audit of programme performance reports

266. The Audit and Management Consulting Division of the Office of Internal Oversight Services is required to conduct ad hoc detailed audits of output delivery. The Board noted that the Division had not undertaken such reviews during the biennium. The Division, however, stated that this aspect was generally reviewed in the course of its audits of the departments. The Board's review of the departmental submissions for the programme performance reports for 1994-1995 disclosed that they contained several shortcomings and inaccuracies.

267. The Board recommends that the Audit and Management Consulting Division should conduct selective ad hoc audits of programme performance reports submitted by the departments.

In-depth evaluation

268. The Board noted that on the basis of the Secretary-General's proposal to the General Assembly in March 1994 (A/49/99) to shorten the evaluation cycle from three years to one, the progress report stage was eliminated. As a result, the norm for the last two years has increased to two in-depth evaluations a year as against one in-depth evaluation a year in the previous period. However, no significant increase in the number of final evaluation reports is expected during the current plan period. For instance, as against six final evaluation reports and two additional reports - one termed an interim report and the other a follow-up report - during the period 1986-1991, eight final reports are scheduled for the period 1992-1997, including two reports scheduled for 1997. The Board was however pleased to note that the Committee for Programme and

Coordination had expressed appreciation of the in-depth evaluation reports brought out by the Central Evaluation Unit.

Self-evaluation

269. During the medium-term plan period 1986-1991, out of 472 subprogrammes included in the plan, only 170 (36 per cent) were evaluated. The evaluation schedule for the current medium-term plan (1992-1997) included 210 out of 246 subprogrammes. However, in the course of the first two bienniums (1992-1993 and 1994-1995) of the current medium-term plan, self-evaluations were only conducted in 75 subprogrammes. The Board further noted that 131 subprogrammes have been scheduled for self-evaluation during 1996-1997. The Central Evaluation Unit attributed the shortfall in self-evaluations during 1992-1995 to the restructuring of the Secretariat, the preoccupation of programme managers with regular work and resource constraints.

270. The Board was concerned that some departments did not carry out formal self-evaluation of their subprogrammes although they had carried out ad hoc assessment studies and selective reviews of their activities. One department at Headquarters stated that it was unaware of the Regulations and Rules governing Programme Planning, Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, or of the Evaluation Manual and the list of subprogrammes scheduled for self-evaluation. Another department considered the existing self-evaluation system unsuitable for the kind of work it generally undertakes. This indicated that the system of self-evaluation presently in use in the Organization is looked upon by departments with little enthusiasm and involvement.

271. The Board considers that self-evaluation of programmes provides programme managers with an opportunity to assimilate the lessons learned and to utilize the experience in future planning and implementation.

272. The Board recommends that the Central Evaluation Unit should, apart from maximizing in-depth evaluations, ensure better coverage of self-evaluations. The Unit should also actively monitor the conduct of self-evaluations by departments and offices and take appropriate measures to create better awareness and acceptability of self-evaluation among the different departments and offices.

273. The Administration accepted the Board's recommendation and proposes to monitor self-evaluations more closely.

Support services for self-evaluation activities

274. The Central Evaluation Unit is responsible for establishing guidelines and laying down quality standards and methodologies for evaluation. The medium-term plan 1992-1997 viewed the development of an internal evaluation system as an integrated component of the planning, programming and budgeting process.

275. The Board noted that the Central Evaluation Unit had not issued any formal guidelines prescribing minimum quality standards and methodologies for evaluation activities, nor had it conducted any training after 1993 or issued any evaluation bulletins during the biennium 1994-1995. The database of evaluation activities maintained at the Central Evaluation Unit was not comprehensive and was not provided to the departments/offices during the biennium 1994-1995. The Office of Internal Oversight Services, however,

proposed to address these issues in future, as indicated in its report of 28 March 1996 (A/51/88).

276. In the absence of formal guidelines and methodological support from the Central Evaluation Unit, some departments were unaware of the subprogrammes to be evaluated, the procedures to be followed for self-evaluation of thematic programmes and the availability of support services for self-evaluation from the Unit.

277. While agreeing on the need to issue detailed guidelines, the Office of Internal Oversight Services attributed the delay to the time required for establishing a linkage between self-evaluation and programme monitoring. The Board recommends that the Central Evaluation Unit should expedite the issuing of formal guidelines covering the current evaluation practices, methodologies and quality standards. The Central Monitoring and Inspection Unit should also resume training activities and the publication of evaluation bulletins.

Follow-up on self-evaluation

278. The Board observed that the Central Evaluation Unit did not routinely receive and review self-evaluation reports from departments in which they were conducted. In several cases, the self-evaluation reports were called for only at the time of preparing the biennial report on evaluation. The Central Evaluation Unit examined the self-evaluation reports received on a case-by-case basis, but kept no record of the follow-up action required on those reports. The Board further observed that the activities of the Central Evaluation Unit are more concerned with in-depth evaluations and do not adequately reflect a concern for intensifying self-evaluations within the departments. The Board considers that in the absence of details of the support services to be provided and their quantification in the programme budget, the supportive role of the Central Evaluation Unit in respect of self-evaluation activities may not be evident.

279. The Board recommends that the Central Evaluation Unit should examine the self-evaluation of programmes conducted by departments, at least on a selective basis, to ensure that the evaluations conform to the accepted standards. The Unit should also monitor follow-up action on the results of self-evaluations. In the light of this, the Board also considers that there is a need to balance the Central Evaluation Unit's responsibilities between in-depth evaluations and strengthening the self-evaluation activities in departments.

280. The Administration accepted the Board's recommendation to give adequate attention to self-evaluation.

Coordination between the Central Evaluation Unit and the Office of Programme Planning, Budget and Accounts

281. The Board observed that the Central Evaluation Unit sends all evaluation reports to the Office of Programme Planning, Budget and Accounts in draft for comments and suggestions before they are issued as official documents. However, there is no formal mechanism to ensure that such findings are used as inputs in the preparation of the medium-term plan/programme budgets. The Board therefore recommends that a mechanism be introduced to establish a link between evaluation findings and the planning and budgeting process of the departments.

282. The Administration welcomed the Board's recommendation and stated that the Office of Internal Oversight Services and the Department of Administration and

Management will jointly consider ways of implementing it. However, the Administration considers that the link between evaluation findings and the planning and budgeting process is established by managerial action by the department concerned, review of the plan and budget proposals of the Office of Programme Planning, Budget and Accounts and subsequent review by the Committee for Programme and Coordination. The Board, however, suggests that the Central Evaluation Unit and the Office of Programme Planning, Budget and Accounts should carry out periodic joint reviews, together with the departments concerned, to ensure that the results of evaluations are used by the departments as inputs in the preparation of medium-term plan/programme budgets. This should be in addition to the general review carried out by the Office of Programme Planning, Budget and Accounts at the time of budget formulation.

Updating of manuals

283. The Board noted that the Regulations and Rules governing Programme Planning, Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (1987) have not been updated to incorporate changes in budgetary and programme planning practices, although the need for their review was emphasized in the Secretary General's report of 5 August 1994 (A/C.5/49/1). The Administration stated that the regulations and rules could not be revised because of time constraints. The Board further noted that the Handbook of Budgetary Practices, which was prepared in 1983, also needed to be updated.

284. The Secretary-General, in his report on strengthening the role of evaluation in the United Nations, had indicated in 1992 that the Administration would issue a revised evaluation manual covering such subjects as programme design, methods of data collection, the concept of formative evaluation, needs assessment and methods for evaluating common services. The Board, however, noted that the revised manual had not been issued.

285. The Board recommends that the Regulation and Rules, the Handbook of Budgetary Practices and the Evaluation Manual should be reviewed and updated.

Cases of fraud and presumptive fraud

286. The Administration provided the Board with information on 11 cases of fraud and presumptive fraud that had come to its notice during the 1994-1995 biennium:

Nature of the fraud/presumptive fraud	Number of cases
Theft or misuse of United Nations property and funds	4
Forged bank cheques	1
Loss of blank cheques	1
Fraudulent representations	1
Improper acquisition of United Nations entitlement	4
	11

287. The details of cases involving sums of more than $10,000 each are set out below.

Forged bank cheques

288. The Director of Administration at the United Nations Office at Geneva was informed by Chemical Bank that three fraudulent duplicate cheques for a total amount of $163,270 were drawn by some unknown persons on the United Nations General Fund bank account at Chemical Bank. The Chemical Bank has returned the full amount of the cheques to the United Nations bank account. The Bank traced the items to Brazil but did not find it possible to identify the individuals responsible for the forgery or to recover the amount.

289. The Administration informed the Board that Chemical Bank has instituted a process of verification of cheques received for clearing by its United Nations branch against faxed lists provided by the United Nations Office at Geneva as and when cheques are issued. The Administration also informed the Board that the Audit and Management Consulting Division was being requested to review the procedures for managing cheque stock inventory and generating and distributing cheques.

Fraudulent medical claims

290. The Board was informed that 19 staff members of ESCAP submitted fraudulent medical claims involving a total amount of $23,659. The fraud was detected by the Financial Services Section which, while reviewing the medical claims of staff members, noticed an unusually large number of high cost claims relating to treatment at a particular dental clinic. The matter was investigated further, and 13 of the staff members concerned were summarily dismissed; 6 were permitted to resign. An amount of $17,875 was recovered from the final payments due to the staff members concerned in December 1994. The Administration proposed to recover the balance due from those former staff members from the retroactive salary increases payable to them, leaving only $2,241 due from one former staff member, for which efforts for recovery will be continued.

Other audit reports

291. In accordance with the direction of the General Assembly that the Board of Auditors examine and report separately on certain other accounts, the Board has issued reports to the General Assembly for the following audits:

United Nations peacekeeping operations 2/

International Trade Centre 3/

United Nations University 4/

2/ Ibid., Fifty-first Session, Supplement No. 5 (A/51/5), vol. II, sect. II.

3/ Ibid., Supplement No. 5 (A/51/5), vol. III, sect. II.

4/ Ibid., Supplement No. 5 (A/51/5), vol. IV., sect. II.

United Nations Development Programme [5]

United Nations Children's Fund [6]

United Nations Relief and Works Agency for Palestine Refugees in the Near East [7]

United Nations Institute for Training and Research [8]

Voluntary funds administered by the United Nations High Commissioner for Refugees [9]

United Nations Environment Programme [10]

United Nations Population Fund [11]

United Nations Habitat and Human Settlements Foundation [12]

United Nations International Drug Control Programme [13]

United Nations Office for Project Services [14]

In addition, the Board has audited the accounts of the United Nations Joint Staff Pension Fund and its report will be included in the report of the United Nations Joint Staff Pension Board. [15]

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[5] Ibid., Supplement No. 5A (A/51/5/Add.1), sect. II.

[6] Ibid., Supplement No. 5B (A/51/5/Add.2), sect. II.

[7] Ibid., Supplement No. 5C (A/51/5/Add.3), sect. II.

[8] Ibid., Supplement No. 5D (A/51/Add.4), sect. II.

[9] Ibid., Supplement No. 5E (A/51/5/Add.5), sect. I.

[10] Ibid., Supplement No. 5F (A/51/5/Add.6), sect. II.

[11] Ibid., Supplement No. 5G ((A/51/5/Add.7), sect. II.

[12] Ibid., Supplement No. 5H (A/51/5/Add.8), sect. II.

[13] Ibid., Supplement No. 5I (A/51/5/Add.9), sect. II.

[14] Ibid., Supplement No. 5J, (A/51/5/Add.10), sect. II.

[15] Ibid., Supplement No. 9 (A/51/9).

Acknowledgement

292. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Secretary-General of the United Nations, the Directors-General of the United Nations Offices at Geneva and Vienna, the Secretary-General of the United Nations Conference on Trade and Development, the executive secretaries of the regional commissions, the Registrar of the International Court of Justice, and their officers and members of their staff.

(*Signed*) Osei Tutu PREMPEH
Auditor General of Ghana

(*Signed*) Sir John BOURN
Comptroller and Auditor General of the
United Kingdom of Great Britain
and Northern Ireland

(*Signed*) Vijay Krishna SHUNGLU
Comptroller and Auditor General
of India

31 July 1996

ANNEX

Follow-up on action taken to implement the recommendations of the Board of Auditors in its report for the period ended 31 December 1993 16/

I. RECOMMENDATION 9 (a)

1. A review of the presentation of statements of changes in the financial position may be undertaken by the working party on financial statements to be convened under the auspices of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions), with a view to making recommendations both on their format and on the types of funds or consolidated entities for which they should be prepared.

Measures taken by the Administration

2. A review of the format of the statement of changes in financial position was undertaken by the working party of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions). The working party recommended, and the Committee accepted, that a new cash flow statement replacing the statement of changes in financial position be included as one of the required financial statements adopted as part of the revised United Nations System Accounting Standards. The United Nations has produced this cash flow statement as part of its unaudited interim accounts since 1994 and has included it as part of the audited statements for the biennium ended 31 December 1995.

Comments of the Board

3. The Board noted the position. The Board also noted that the formats of the financial statements will be reviewed in light of the reactions of the governing bodies concerned.

II. RECOMMENDATION 9 (b)

4. Endowment funds from donors for financing trust fund activities should be distinctly shown in the combined statement of assets and liabilities of trust funds, and such funds should be invested on a long-term basis.

Measures taken by the Administration

5. As recommended by the Board, all financial statements for trust funds that have endowment funds now indicate separately, in the fund balance, the amounts of the endowments.

16/ Ibid., Forty-ninth Session, Supplement No. 5 (A/49/5), vol. I, sect. II, para. 9.

Comments of the Board

6. The Board noted the position. However, from the statement of assets and liabilities for the biennium ended 31 December 1995, the Board noted that long-term investment has been made in respect of only one out of three endowment trust funds.

III. RECOMMENDATION 9 (c)

7. If it is the intention that the powers of the Secretary-General to write off the amounts receivable in excess of $10,000 in each case should be delegated, financial rule 110.14 should be suitably amended.

Measures taken by the Administration

8. Financial rule 110.14 will be amended in conjunction with the planned promulgation of a revision of the financial regulations and rules.

Comments of the Board

9. The Board will await the implementation of the recommendation.

IV. RECOMMENDATION 9 (d)

10. In view of a number of allotments in excess of appropriations and of expenditures in excess of allotments, as well as unprecedented excess of expenditures over budgetary allocations at programme level during the biennium 1992-1993, the effectiveness of the new system of allotments and the procedure for review of expenditures should be assessed and further steps taken to achieve effective budgetary control.

Measures taken by the Administration

11. The Programme Planning and Budget Division of the Office of Programme Planning, Budget and Accounts actively monitors expenditure reports and takes corrective measures where necessary.

Comments of the Board

12. The Board's further recommendations have been included in the present report.

V. RECOMMENDATION 9 (e)

13. While the Board is pleased to note that its recommendation for the preparation of detailed cost plans for trust fund projects establishing a nexus between the financial inputs and the physical outputs has already been implemented, the Board recommends that there should also be effective monitoring of expenditure and of the project performance.

Measures taken by the Administration

14. The Programme Planning and Budget Division has introduced and maintains the practice of systematic monitoring of trust funds expenditure.

Comments of the Board

15. The Board's review of trust fund activities in the biennium 1994-1995 disclosed that there was scope for improvement in budgetary control and project implementation.

VI. RECOMMENDATION 9 (f)

16. There should be tighter cost control in providing programme support and other services and the recovery of costs should be on a more realistic basis so that, as far as possible, programme support income and expenditure match from year to year.

Measures taken by the Administration

17. The recommendation is implemented.

Comments of the Board

18. The Board's review indicated that exemptions from recovery of programme support costs were not based on detailed cost analysis. There is therefore scope to improve the recovery of programme support income.

VII. RECOMMENDATION 9 (g)

19. While the Board notes with satisfaction that substantive officers have now been asked to provide more detailed justifications and workload statistics in their request for funds from the special accounts for programme support costs, the Board recommends that the feasibility of establishing work norms for the purpose of authorizing extrabudgetary staff should be considered and that in future there should be better control over staffing from extrabudgetary funds.

Measures taken by the Administration

20. The recommendation is implemented.

Comments of the Board

21. The Board noted that consideration of the feasibility of establishing work norms had not been completed in 1994-1995, apparently due to lack of time and the high level of vacancies experienced by the Budget Division during the biennium. This should be pursued by the Administration in 1996-1997.

VIII. RECOMMENDATION 9 (h)

22. The Board welcomes the attempts to maximize the interest earnings on idle cash resources, in response to its comments. The Board would expect the introduction of the cash concentration system and development of other liquid investment alternatives well before the end of 1994 and arrangements for long-term investment of funds as soon as possible thereafter.

Measures taken by the Administration

23. As a result of the implementation of the cash concentration system, the number of call accounts was reduced, between June 1994 and March 1996, from 29 to 8 and the amount on deposit in those accounts was reduced from $102.4 million to $7.5 million. Three of the remaining eight call accounts are related to the activities of the United Nations Environment Programme and one is for the United Nations University. These accounts are expected to be transferred to the cash concentration system shortly.

24. The contract concerning the software package for investment portfolio management is being negotiated and it is expected that the new package will be implemented and interfaced with IMIS by the end of 1997. It will ensure proper recording of and accounting for instruments related to alternative options for liquid investment.

25. The continuing financial crisis of the United Nations renders the issue of long-term investments moot, as the funds in the Secretary-General's custody are needed within shorter time-frames.

Comments of the Board

26. The Board was pleased to note that implementation of its recommendation regarding the cash concentration system resulted in a substantial increase in interest income during the biennium. The Board will review the development and interfacing of the new software package for the investment portfolio in its future audits.

IX. RECOMMENDATION 9 (i)

27. In order to contribute to strengthening the implementation of the Integrated Management Information System (IMIS) and making it a success, besides strengthening of the project team, the following are recommended:

(a) Responsibilities for implementing IMIS should be clearly spelt out and notified to all concerned, including the heads of user departments;

(b) The Steering Committee should establish detailed targets for all key responsibility centres for the project, especially in the user departments, and monitor progress regularly;

(c) Schedules for implementing IMIS in offices away from Headquarters should also be drawn up. Several preparatory activities that have large lead times, such as technical skill upgrading, should be prioritized and started in a phased manner;

(d) Resources required for implementing IMIS should be reassessed. This assessment must be made, to the extent practicable, release-wise and separately for Headquarters and offices away from Headquarters. If the Administration is unable to find the resources necessary to implement the project completely, it would be desirable to make a success of Releases 1 to 3, by utilizing available funds to provide the requisite implementation support which had not been budgeted for; Releases 4 and 5 could be taken up later, depending on the availability of resources.

Measures taken by the Administration

28. The Secretary-General's bulletin of 27 April 1995 (ST/SGB/276) defined and assigned the responsibilities for implementation and operation of the system. In the course of 15 meetings held in 1995 by the IMIS Steering Committee, a detailed work plan was continuously reviewed and progress was monitored. Implementation activities for offices away from Headquarters were initiated. A detailed implementation manual was prepared and circulated to all offices, local coordinators were appointed, servers procured and installed, and a programme of training for substantive and technical staff drawn up. A group of 11 staff members from five offices spent a month in training at Headquarters in January-February 1996.

29. Heads of offices away from Headquarters have been informed about their personal responsibilities with regard to implementation and operations of IMIS. The cleansing of personal records was completed.

30. The project was reprogrammed and re-budgeted. In order to limit the resources required, the scope of the project was reduced to four releases instead of five. To enhance the implementation effort, an administrative officer was appointed and additional temporary staff was hired.

Comments of the Board

31. The Board noted the action taken on its recommendations, including implementation of IMIS at offices away from Headquarters. There were some delays in the appointment of personnel, and the progress of implementation in offices away from Headquarters needs to be monitored closely.

X. RECOMMENDATION 9 (j)

32. A formal risk analysis should be conducted using a standard methodology, and a risk-management plan based on the results of the analysis should be formulated.

Measures taken by the Administration

33. A preliminary investigation of various methodologies for risk analysis was done by the secretariat, with particular emphasis on the CRAMM technique. The analysis revealed that the recommended methodology was no longer widely used and that no in-house expertise was available to perform a risk analysis. At the time the recommendation was made to do a risk analysis, many of the IMIS security modules were still being developed and refined by the project team. The Administration therefore decided to postpone further work in this area until

such time as the roll-out of all IMIS releases was complete. It hoped that funding would be available for an external contract to do a formal risk analysis.

Comments of the Board

34. The Board will monitor further progress in this area in its future audits.

XI. RECOMMENDATION 9 (k)

35. The system of verification of data entered into IMIS either manually or by automated conversion from existing systems should be strengthened.

Measures taken by the Administration

36. The cleansing of records was completed in two phases: for staff members and for dependants. The circulation of printed records to all staff has not yet been undertaken since efforts were concentrated on the cleansing of dependants' records that had not been verified for several years. Also, in preparation for Release 3, the records in IMIS and payroll were reconciled and synchronized. The Administration further assured the Board that, since 1995, the payroll has been based on IMIS records. It was determined that by using this method, the cleansing of core personnel data would be completed in a more accurate and efficient manner. A new automated fact sheet has been developed by UNDP, in cooperation with the United Nations, and it will be used, once produced, in the second half of 1996, for further verification of the records with the staff.

37. The loading of data from offices away from Headquarters will be done using the methodology adopted in 1994 and 1995 for the cleansing of staff and dependants' data and not the methodology used in 1993 for the initial loading of the database.

Comments of the Board

38. Some inconsistencies and differences still exist between the IMIS and payroll database. The Administration stated that further integration between the payroll and IMIS was hampered because of the intrinsic differences between the two: for example, IMIS contains greater detail that does not have a corresponding part in the payroll system.

39. Substantive tests of the data tables based on a comparison of IMIS extract and payroll indicated that, as at 1 May 1996, there were 7,739 unexpired incumbencies at Headquarters in payroll and 6,881 in IMIS. The Board observed that there were a number of records without valid posts in the active database for IMIS and that similar records also existed in the payroll. The Administration stated that this condition is found for permanent staff members encumbering mission posts awaiting reassignment and is identified twice a month through the IMIS/payroll exception reports. Certain other inconsistencies, such as inconsistent formats for the post numbers, were pointed out; the Administration assured the Board that these would be rectified.

40. The Board also observed that data cleansing still remains to be done to verify the mobility entitlements of staff members in receipt of mobility and

hardship allowances. Some tables in respect of this still remain to be updated. According to the Administration, the exception reports issued twice a month enable the Payroll Unit to force Executive Offices to correct discrepancies before a payroll is run. Further, the discrepancies between IMIS and payroll were owing to the maintenance of records on staff at payroll for a certain period of time after they have separated. However, the Administration agreed that work still needed to be done to complete data cleansing.

41. In view of these deficiencies, the Board feels that there is need for strengthening the system of data verification and validation checks. The Board still finds it difficult to derive the assurance that data fed into IMIS (Releases 1 and 2) are complete and accurate in all respects, although a great deal of data cleansing has been carried out.

XII. RECOMMENDATION 9 (1)

42. To promote the cost-effective procurement of goods and services, the Board recommends that:

(a) The number and extent of exceptions to bidding should be subject to regular monitoring and review;

(b) For major procurements, contracting should be by open tender rather than by limited invitation to tender;

(c) Suppliers' rosters should be updated and reviewed regularly to reflect the performance, technical competence and financial stability of the suppliers;

(d) The circumstances in which the use of advertising may be appropriate should be defined, particularly in the case of technical cooperation activities;

(e) Action should be taken to improve the quality of procurement planning;

(f) The United Nations should consider introducing a formal programme of training in procurement and recruiting, at a senior level, appropriate expertise from outside;

(g) The United Nations should develop appropriate performance measures for procurement activities;

(h) The requirements of goods and services for the duration of a proposed systems contract should be assessed in advance and consolidated requirements projected to the bidders so as to derive the maximum price advantage.

Measures taken by the Administration

43. Following the recommendations of the High-level Group of Experts on Procurement, the Procurement and Transportation Division was restructured into a commodity-based system, sustained by a section providing centralized support and management, in line with modern management practice. The new structure not only concentrates expertise where it belongs - on designated commodities - but, concomitantly, reduces the layers of supervision and releases personnel for actual procurement functions. The detailed plan of action is contained in the Secretary-General's report of 9 February 1996 on implementation of procurement reform (A/C.5/50/13/Rev.1).

44. The members of the High-level Group of Experts on Procurement continued to work directly with the Management and staff of the Procurement and Transportation Division in order to bring about reform expeditiously. One of their priority tasks is preparing draft policies and procedures concerning procurement for consideration by the Secretariat. These are expected to be finalized during 1996.

45. With regard to procurement undertaken by the Procurement and Transportation Division, the number of exceptions to competitive bidding was substantially reduced in 1995 compared to previous years. The Office of Conference and Support Services and the Department of Peace-keeping Operations are continuing their efforts to further reduce this number.

46. The review and update of the vendor roster of the Procurement and Transportation Division were begun towards end of 1995. Criteria for registration have been developed and are being refined as more experience is gained through the ongoing process of registration update. The initial phase of the re-registration review, which consists of re-registering already listed vendors, is nearing completion. The next phase - expanding the vendor database with the assistance of the Permanent and Observer Missions - has begun. The Procurement and Transportation Division has provided an increased level of staffing to properly manage the level of activities generated by the re-registration process.

47. With the implementation of IMIS, the Department for Development Support and Management Services would also have access to the vendor database of the Procurement and Transportation Division for its own use.

48. When feasible, and taking into consideration the additional lead time and cost of advertising, the Procurement and Transportation Division has made and will continue to make use of advertising in its procurement activities, either through print media or by seeking assistance from the Permanent and Observer Missions in recommending qualified vendors.

49. With regard to technical cooperation activities, the Department for Development Support and Management Services has given further consideration to the possible use of advertising in its procurement activities. It was found that this option continues to be unfeasible because of the lead times imposed and the relatively small number of individual contracts.

50. Management recognizes that not as much progress has been achieved as would have been desirable in enhancing the efficiency of procurement planning. More effective procurement planning is essential for advancing the procurement function in the Organization. In this context, it should be pointed out that the Procurement and Transportation Division acts as a procurement agency for the substantive offices which have the primary responsibility for the preparation of procurement plans, upon which the Division, in turn, could plan and coordinate its activities.

51. In connection with technical cooperation activities, the Department for Development Support and Management Services took measures during 1994-1995 to improve liaison between requisitioning and procurement staff, on the one hand, and technical and substantive staff on the other. These efforts were aimed at improvement in the flow of communications, elimination of bottlenecks and enhancement of procurement planning through a working group on procedures, procurement seminars, and the issuance of further guidelines related to the

procurement process. This work is ongoing and remains on the agenda of the Department.

52. The formal training of procurement personnel began in 1995 and will continue. All eligible staff of the Procurement and Transportation Division have now successfully completed the training programme. The programme will be further expanded in 1996 to include management training to improve the professionalism, capacity and skills of procurement managers.

53. A month-long on-the-job training programme at Headquarters for procurement personnel for peacekeeping missions has also been instituted. In addition, procurement personnel from Headquarters began receiving field training through assignment to field missions on a short-term basis.

54. In connection with Department for Development Support and Management Services, the skills of procurement staff continue to be enhanced by training activities. Thus, in 1995 staff members participated in a series of courses organized by the United Nations Office for Project Services and the inter-agency procurement services office.

Comments of the Board

55. The Board noted that substantial progress has been achieved in implementation of its recommendations. The Board's further observations have been included in the present report.

XIII. RECOMMENDATION 9 (m)

56. Technical cooperation projects need to be tailored more closely to the management environment in which they will operate, and the measurability of project objectives should be enhanced.

XIV. RECOMMENDATION 9 (n)

57. There needs to be more proactive management of technical cooperation projects, especially given the decline in the use of chief technical advisers and the pressure to justify support costs. This should involve clearer accountability for implementing projects to time and budget.

XV. RECOMMENDATION 9 (o)

58. There needs to be a greater overview of the success of the technical cooperation programme and feedback of key findings into future design and management.

Measures taken by the Administration

59. As recommended by the Board, during the reporting period the Department for Development Support and Management Services sharpened its focus on the issues of measurability, accountability, overview and feedback in the management of technical cooperation activities. Numerous actions were taken in several target areas. The process of internal reform includes an ongoing critical review of

the Department's internal capacities to ensure that the skills and experiences at hand can respond to evolving needs, both operational and normative, and, towards this end, developing a broad-based, flexible and responsive cadre of substantive specialists with sectoral, state-of-the-art expertise and capability for innovation, multidisciplinary cooperation and teamwork.

60. Prominent features of the changing nature of development assistance provided by the Department for Development Support and Management Services included much greater priority given to the national execution of projects, emphasis upon technical support services at the programme and project levels, and scaling down of administrative and operational support services to projects.

61. Specifically, the following implementing measures were taken in response to the Board's recommendations:

(a) The recommendations of the Board were distributed to staff members for their attention;

(b) A programme and projects review committee has been established and meets as needed to consider new technical cooperation activities to be undertaken by the Department, especially those which are multisectoral and require collaboration and delineation of functions among the Department's units;

(c) The Department prepares consolidated six-monthly internal work programmes with an emphasis on detailed information at the division and branch levels;

(d) At the Department's request, UNDP conducted a training course on project design in November 1994 in the context of a programme approach for all Professional and related senior General Service staff of the Department.

62. The Department gave careful consideration to the question of the production of an updated project management manual for Headquarters staff and field personnel, and decided that it was simpler and more cost-effective to continue to work closely with UNDP in the use and updating of UNDP guidelines and manuals. As UNDP has been undergoing major changes during the last four years in the form of assistance provided through its funding, the Department collaborated with it and other agencies in the preparation of guidelines on national execution, programme approach and support costs. Rather than producing its own project management manual, the Department prepared a compendium of the technical capabilities of its staff and a set of fact sheets on the areas of the Department's substantive competence. These were distributed to UNDP, both at Headquarters and in the field, to Governments and to other entities to provide a ready reference on skills available from the Department.

Comments of the Board

63. The Board appreciates the steps taken on its recommendations by the Department. As noted in the present report, the Board's review disclosed that the delivery rate of budgeted activities was low, indicating the need for continued proactive management of technical cooperation projects. The Board's observations in the present report may also be seen in this regard.

XVI. RECOMMENDATION 9 (p) (i) and (ii)

64. In view of the potential for economy in conference services, particularly in regard to translation, the following steps should be taken as early as possible:

(a) Temporary assistance, especially non-local, for translation work, being very costly, should be reduced to the minimum;

(b) The field of choice of institutional or corporate entities for translation work should be wider.

Measures taken by the Administration

65. In order to reduce the dependency on temporary assistance by filling regular language posts, more frequent translators' examinations were organized; these yielded a roster of 8 successful candidates for English translators/précis-writers, 12 for French translators and 29 for the Spanish service. There is no vacancy in the English service. All vacancies in the French service, which numbered about 10 in September 1993, were filled by February 1995. In the course of 1995, four new vacancies occurred; these are being filled from the roster of 12 successful candidates on the 1994 roster. The vacancy situation in the other three language services (Arabic, Chinese and Russian) continues to be satisfactory, with rosters of successful candidates sufficient to meet expected vacancies until well after the year 2000.

66. Temporary assistance is only resorted to in situations in which demand for services exceeds the capacity of permanent staff. The share of contractual translation in the total translation workload increased from 12.2 per cent in 1993 to 17.4 per cent in 1994, 17.8 per cent in the first half of 1995 and 16 per cent in 1995 as a whole. The 1995 percentage would have been higher had it not been for the need to defer work that could have been done contractually during the last quarter of the year in order to deal with the critical financial situation of the Organization. The 1996-1997 budget includes a provision of about $3.5 million for contractual translation, which is 30 per cent higher than the appropriation for the previous biennium.

67. Since the shortage of qualified contractors prevents a wider reliance on contractual services, a pilot project is under way in the French and Spanish translation services to evaluate the performance of nine potential candidates for the roster of contractors by assigning them work subject to scrupulous revision, followed by extensive feedback. Results of the evaluation should be available by August 1996. Resource constraints, in particular the limited number of senior staff at the reviser level, dictated the relatively limited scope of the project.

Comments of the Board

68. The Board welcomes these measures. The Board's further comments have been included in the present report.

XVII. RECOMMENDATION 9 (p) (iii)

69. Workload standards should be reviewed and revised upwards, consistent with the increase in productivity expected from the introduction of information technology in conference servicing, and the resultant savings quantified.

Measures taken by the Administration

70. In line with the recommendations of the comprehensive study on conference services, the results of which were set out in the report of the Secretary-General to the General Assembly (A/C.5/49/34) and endorsed by the Assembly in resolution 49/221 C of 23 December 1994, reliance on workload standards is being gradually replaced by a benchmark system in which performance will be monitored against previously achieved levels, with emphasis on continuous improvement in productivity. In this connection, it should be noted that there was an increase in the number of interpreter assignments and meetings services of about 40 per cent during the period 1990-1995 and an increase of around 18 per cent in the volume of words translated and text processed. These increases were successfully coped with, mostly as a result of an annual average productivity growth rate of about 20 per cent in translation and 17 per cent in interpretation.

Comments of the Board

71. The Board noted the position and will keep the progress achieved by the Administration under review. The Board's views on workload standards have been included in the present report.

XVIII. RECOMMENDATION 9 (p) (iv)

72. In addition to ensuring reduction of both the volume of documentation and the delays in their submission, other options for cost-saving should be considered and implemented for managing conference services without undue overtime payments.

Measures taken by the Administration

73. As of the last quarter of 1995, more strict limits have been placed on the use of overtime. In the area of documents control, the use of the shift system has been expanded and, in other areas, such as text-processing and reproduction, in which the shift system had been used extensively in the past, overtime is being used only to meet absolutely immediate documentation needs of intergovernmental bodies. This has diminished processing capacity and marginally increased delays in the availability of documentation.

Comments of the Board

74. The Board noted the action taken by the Administration.

XIX. RECOMMENDATION 9 (p) (v)

75. The implementation and management of the Technological Innovations Programme, which is expected to increase the efficiency, quality and cost-effectiveness of the conference services, should be strengthened.

Measures taken by the Administration

76. This summary recommendation was implemented.

Comments of the Board

77. The Board's comments are included in the present report.

XX. RECOMMENDATION 9 (q)

78. To effect possible economy in publishing services, the study of costs and review of pricing policy for United Nations publications should be completed, a system to quantify the wastage and spoilage of paper in printing and to identify the areas of excessive paper consumption introduced, and follow-up action taken. Further, excessive printing of publications for sale should be avoided.

Measures taken by the Administration

79. Since January 1996 the Reproduction Section of the Office of Conference and Support Services has been able to provide such data, which are taken into consideration, together with other elements, in establishing prices for publications. The quantities of publications for sale have been considerably reduced. Print orders for publications are strictly monitored and adapted to market conditions. At the same time, there are, inevitably, instances when a book is revised and reprinted to reflect a rapidly changing political situation, although stocks of the publication still exist. The report on disposal figures for 1994-1995 will be submitted to the Publications Board for review in the spring of 1996.

80. In the Reproduction Section, a system is being installed that will link data on production with paper inventory figures to quantify spoilage. Because of the economy measures dictated by the ongoing financial crisis, the purchase of printers and bar-code readers needed for this project was suspended and will be resumed when financial conditions permit. In the meantime, printing of overruns has been reduced as much as possible, with back-up copies kept in stock in cases in which there is a shortage of copies available for immediate distribution. This practice is being kept under review and will be adjusted if necessary.

Comments of the Board

81. The Board's audit in the fall of 1995 indicated that, although substantial progress had been achieved in the matter, there was further scope to streamline print orders and pricing policy. The Board will review the position in its future audits in the light of the improvements achieved by the Administration.

XXI. RECOMMENDATION 9 (r)

82. Recruitments should be processed in a timely manner and the recruitment manual, as well as detailed guidelines envisaged in the programme budget for 1992-1993, should be prepared and issued as early as possible.

Measures taken by the Administration

83. The General Assembly endorsed the strategy for human resources management in its resolution 49/222 of 23 December 1994, and the Office of Human Resources Management was subsequently restructured in mid-1995. Recruitment functions and staff administration functions were integrated and assigned to clusters of human resources officers. In support of the recruitment function, a separate section was formed for searching, rostering and evaluating applicants. A manual of standard operating procedures has been compiled for the use of staff of this section. A comprehensive review of all policies and procedures related to the internal placement/promotion function is under way. The results of this review, together with the standard operating procedures for recruitment, will be consolidated into the recruitment manual as soon as resources permit.

Comments of the Board

84. The clusters are in place and the manual of standard operating procedures has been compiled, but, as of March 1996, this has not been put to full use. From a test-check of recruitment it was observed that the average time taken during 1994-1995 from the date a post falls vacant to the date on which it is filled was about a year.

XXII. RECOMMENDATION 9 (s)

85. Pending formulation of a long-term plan, some aspects of career development for various categories of staff should be built into the placement, promotion, training, and so on, and there should be a periodic assessment of the results achieved.

Measures taken by the Administration

86. Since the appointment of a manager of human resources management development in November 1995, a general framework on comprehensive career development planning has been in preparation. In view of the present priorities and demands, its partial implementation is limited to a pilot project which is currently being finalized. The project envisages introducing a rotation scheme for staff in the Professional and General Services categories and is focused on three or four interprofessional occupational groups, particularly in the areas of general administration and translation.

87. Recent developments, however, dictated greater attention, within the human resources development area, to the conception, setting up and operating, on a temporary and trial basis, of an outplacement centre, together with preparing and assisting departing staff members in their integration in the labour market outside the United Nations. Towards this end, a special training programme has been set up to facilitate such transition, and several sessions have been conducted. This function, which was only marginally foreseen in 1994, has

developed into a major help function for departing staff members in the period of ongoing downsizing of the Organization. Relevant training and support are also provided to executive officers, programme managers and human resources officers engaged in the downsizing exercise, as well as to staff members who are retained after the downsizing of their offices.

Comments of the Board

88. The Board appreciates the measures being taken by the Administration in view of the recent developments relating to personnel redeployment and will review matters regarding career development in its future audits.

III. AUDIT OPINION

We have examined the appended financial statements numbered I to XXI, properly identified, the relevant schedules and the supporting explanatory notes of the United Nations for the financial period ended 31 December 1995, in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

As a result of our examination, we are of the opinion that the financial statements present fairly the financial position of the United Nations as at 31 December 1995 and the results of the operations for the financial period then ended; that they were prepared in accordance with the stated accounting policies, which were applied on a basis consistent with that of the preceding financial period; and that the transactions were in accordance with the Financial Regulations and legislative authority.

In accordance with our usual practice, we have issued a long form report on our audit of the United Nations financial statements as provided for in the Financial Regulations.

(Signed) Osei Tutu PREMPEH
Auditor General of Ghana

(Signed) Sir John BOURN
Comptroller and Auditor General of the
United Kingdom of Great Britain and
Northern Ireland

(Signed) Vijay Krishna SHUNGLU
Comptroller and Auditor General
of India

31 July 1996

IV. CERTIFICATION OF THE FINANCIAL STATEMENTS

11 July 1996

I certify that the appended financial statements of the United Nations, numbered I to XXI, are correct.

(*Signed*) Yukio TAKASU
Controller

V. FINANCIAL STATEMENTS FOR THE BIENNIUM ENDED 31 DECEMBER 1995

Statement I

UNITED NATIONS ALL FUNDS SUMMARY a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	General Fund, Working Capital Fund and Special Fund	Peace-keeping Activities	Technical Cooperation Activities	General Trust Funds	Other Special Funds	All Funds Eliminations	**Total 1995**	**Total 1993**
Income								
Assessed contributions	2,459,044	6,192,956	–	–	28,730	–	8,680,730	7,131,896
Voluntary contributions	–	156,183	124,276	289,550	1,093	–	571,102	617,644
Net revenue-producing activities	518	–	–	–	–	–	518	8,831
Funds received under inter-organization arrangements	–	–	215,465	12,250	–	–	227,715	375,297
Allocations from other funds	–	–	37,376	120,007	137,835	–295,218	0	0
Jointly-financed activities	11,660	–	–	–	–	–	11,660	10,411
Income for services rendered	26,724	–	–	6,658	82,599	–48,260	67,721	41,120
Interest income	11,619	55,814	5,918	31,600	27,762	–	132,713	85,301
Other/miscellaneous income	27,788	19,021	616	26,304	557,902	–449,709	181,922	132,586
TOTAL INCOME	2,537,353	6,423,974	383,651	486,369	835,921	–793,187	9,874,081	8,403,086
Expenditure								
TOTAL EXPENDITURE	2,632,016	5,807,499	367,990	476,285	920,298	–764,457	9,439,631	8,029,051
Excess (shortfall) of income over expenditure	–94,663	616,475	15,661	10,084	–84,377	–28,730	434,450	374,035
Prior period adjustments	–	–14,421	–451	–32,352	–8,357	–	–55,581	–3,303
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	–94,663	602,054	15,210	–22,268	–92,734	–28,730	378,869	370,732
Savings on, or cancellation of, prior periods' obligations	9,403	66,915	–	–	4,114	–	80,432	16,588
Transfers (to) from other funds	–	–28,367	9,574	–9,936	–	28,730	0	0
Transfers (to) from other organizations	–	–	–	–1,075	–	–	–1,075	–
Credits to Member States	–	–256,881	–	–	–	–	–256,881	–48,378
Refund to donors	–	–	–	–5,649	–	–	–5,649	–559
Other adjustments to reserves and fund balances	–59,163	–40,906	–159	–7,175	–11,665	–	–119,068	–84,470
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	452,630	677,748	36,749	342,455	505,548	–	2,015,130	1,761,217
RESERVES AND FUND BALANCES, END OF PERIOD	308,207	1,020,563	61,374	296,352	405,263	–	2,091,759	2,015,130

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a/ See notes 2 and 3.

The accompanying notes are an integral part of the financial statements.

Statement II

UNITED NATIONS ALL FUNDS SUMMARY a/

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	General Fund, Working Capital Fund and Special Fund	Peace-keeping Activities	Technical Cooperation Activities	General Trust Funds	Other Special Funds	All Funds Eliminations	Total 1995	Total 1993
Assets								
Cash and term deposits	6,126	782,149	116,313	305,053	305,698	–	1,515,339	1,100,541
Investments	–	–	–	2,182	11,733	–	13,915	12,175
Assessed contributions receivable from Member States	564,037	1,930,085	–	–	5,212	–	2,499,334	2,175,759
Voluntary contributions receivable	–	6,652	10,151	14,508	–	–	31,311	57,185
Inter-fund balances receivable	105,563	255,773	15,093	6,066	104,179	-486,674	0	0
Other accounts receivable	86,725	64,220	38,132	9,378	68,971	-4,647	262,779	215,608
Other assets	53,743	107,434	102,191	25,765	58,863	–	347,996	393,968
Land and buildings	–	–	–	–	408,609	–	408,609	384,685
TOTAL ASSETS	816,194	3,146,313	281,880	362,952	963,265	-491,321	5,079,283	4,339,921
Liabilities								
Contributions or payments received in advance	1,730	826	51,675	5,033	2,010	–	61,274	36,301
Unliquidated obligations	110,453	1,804,490	41,254	30,010	69,427	–	2,055,634	1,642,265
Inter-fund balances payable	332,231	103,743	3,958	12,929	33,813	-486,674	0	0
Other accounts payable	61,280	181,395	32,656	18,628	452,363	-4,647	741,675	453,236
Other liabilities	2,293	35,296	90,963	–	389	–	128,941	192,987
TOTAL LIABILITIES	507,987	2,125,750	220,506	66,600	558,002	-491,321	2,987,524	2,324,789
Reserves and fund balances								
Operating reserves	–	5,000	137	6,132	30,671	–	41,940	29,844
Reserves for allocations	–	–	–	14,448	–	–	14,448	34,134
Capital funds relating to land, buildings and technological innovations	–	–	–	–	473,223	–	473,223	427,376
Working capital funds	100,060	150,000	–	–	–	–	250,060	250,030
Authorized retained surplus	68,356	132,487	–	–	–	–	200,843	277,652
Fund principal from contributions	48,803	–	–	3,050	69,439	–	121,292	120,852
Cumulative surplus (deficit)	80,863	733,076	–	272,722	-168,070	–	918,591	847,746
Balances related to projects funded by donors	–	–	61,237	–	–	–	61,237	–
Surplus available for credit to Member States	10,125	–	–	–	–	–	10,125	27,498
TOTAL RESERVES & FUND BALANCES	308,207	1,020,563	61,374	296,352	405,263	0	2,091,759	2,015,132
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	816,194	3,146,313	281,880	362,952	963,265	-491,321	5,079,283	4,339,921

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a/ See notes 2 and 3.

The accompanying notes are an integral part of the financial statements.

Statement III

UNITED NATIONS ALL FUNDS SUMMARY a/

Statement of Cash Flows for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	General Fund, Working Capital Fund and Special Fund	Peace-keeping Activities	Technical Cooperation Activities	General Trust Funds	Other Special Funds	Total 1995
Cash flows from operating activities						
Net excess (shortfall) of income over expenditure (Statement I)	-94,663	602,054	15,210	-22,268	-92,734	407,599
(Increase) decrease in contributions receivable	-79,356	-236,571	-6,309	29,748	-5,212	-297,700
(Increase) decrease in other accounts receivable	-18,591	-47,847	828	-4,431	18,224	-51,817
(Increase) decrease in other assets	-16,819	-21,931	76,207	32,934	-48,343	22,048
Increase (decrease) in contributions or payments received in advance	768	746	24,115	-666	10	24,973
Increase (decrease) in unliquidated obligations	46,496	405,812	-15,435	-3,761	-19,743	413,369
Increase (decrease) in accounts payable	23,791	43,386	-3,594	11,638	217,865	293,086
Increase (decrease) in other liabilities	-1,143	11,387	-74,586	0	294	-64,048
Less: Interest income	-11,619	-55,814	-5,918	-31,600	-27,762	-132,713
NET CASH FROM OPERATING ACTIVITIES	-151,136	701,222	10,518	11,594	42,599	880,223
Cash flows from investing and financing activities						
(Increase) decrease in investments	-	-	-	-415	-1,325	-1,740
(Increase) decrease in inter-fund balances receivable	-32,428	-173,156	4,127	3,220	-36,264	-234,501
Increase (decrease) in inter-fund balances payable	203,168	9,458	-865	5,586	17,152	234,499
Plus: Interest income	11,619	55,814	5,918	31,600	27,762	132,713
NET CASH FROM INVESTING AND FINANCING	182,359	-107,884	9,180	39,991	7,325	130,971
Cash flows from other sources						
Savings on, or cancellation of, prior periods' obligations	9,403	66,915	-	-	4,114	80,432
Transfers (to) from other funds	-	-28,367	9,574	-9,936	-	-28,729
Transfers (to) from other organizations	-	-	-	-1,075	-	-1,075
Credits to Member States	-	-256,881	-	-	-	-256,881
Other adjustments to reserves and fund balances	-59,163	-40,906	-159	-12,824	-11,665	-124,717
NET CASH FROM OTHER SOURCES	-49,760	-259,239	9,415	-23,835	-7,551	-330,970
Net Increase (Decrease) in Cash and Term Deposits	-18,537	334,099	29,113	27,750	42,373	414,798
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	24,663	448,050	87,200	277,303	263,325	1,100,541
CASH AND TERM DEPOSITS, END OF PERIOD	6,126	782,149	116,313	305,053	305,698	1,515,339

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a/ See note 3.

The accompanying notes are an integral part of the financial statements.

United Nations General Fund

Statement of appropriations for the biennium 1994 – 1995 as at 31 December 1995

(Expressed in thousands of United States Dollars)

Appropriation section	APPROPRIATIONS Original (General Assembly resolution 50/205A)	Transfers between Sections	Revised Total	EXPENDITURES Disbursements a/	Unliquidated obligations	Total	BALANCE
Part I – Overall policy – making, direction and co – ordination							
1 Overall policy – making, direction and co – ordination	37,985	–2,131	35,854	34,832	853	35,685	170
Total – Part I	37,985	–2,131	35,854	34,832	853	35,685	170
Part II – Political affairs							
3 Political Affairs	64,445	9	64,453	62,284	2,169	64,453	–
4 Peace – keeping operations and special missions	155,807	–6,163	149,644	140,614	9,030	149,644	–
Total – Part II	220,251	–6,154	214,097	202,898	11,199	214,097	–
Part III – International justice and law							
5 International Court of Justice	21,358	13	21,371	21,003	367	21,371	–
7 Legal activities	30,651	–461	30,189	28,670	1,519	30,189	–
Total – Part III	52,008	–448	51,560	49,673	1,887	51,560	–
Part IV – International co – operation for development							
8 Department for Policy Co – ordination and Sustainable Development	47,970	126	48,096	47,308	788	48,096	–
9 Department for Economic and Social Information and Policy Analysis	47,242	83	47,325	46,272	1,054	47,325	–
10 Department for Development Support and Management Services Analysis	28,619	–156	28,463	26,911	1,552	28,463	–
11A United Nations Conference on Trade and Development	114,245	629	114,874	113,056	1,818	114,874	–
11B International Trade Centre UNCTAD/GATT	20,835	–	20,835	20,835	–	20,835	–

Statement IV (continued)

Appropriation section	APPROPRIATIONS Original (General Assembly resolution 50/205A)	Transfers between Sections	Revised Total	EXPENDITURES Disbursements a/	Unliquidated obligations	Total	BALANCE
12A United Nations Environment Programme	11,861	-51	11,810	11,396	413	11,810	-
12B United Nations Centre for Human Settlements (HABITAT)	13,054	123	13,177	12,332	846	13,177	-
13 Crime Control	4,606	56	4,662	4,384	278	4,662	-
14 International drug control	15,040	-239	14,801	14,273	528	14,801	-
Total - Part IV	303,472	570	304,042	296,767	7,276	304,042	-
Part V - Regional co-operation for development							
15 Economic Commission for Africa	69,172	-747	68,425	65,023	3,402	68,425	-
16 Economic and Social Commission for Asia and the Pacific	56,969	1,740	58,709	54,702	4,007	58,709	-
17 Economic Commission for Europe	47,614	377	47,992	46,958	1,033	47,992	-
18 Economic Commission for Latin America and the Caribbean	73,904	1,442	75,347	71,849	3,498	75,347	-
19 Economic and Social Commission for Western Asia	30,172	-24	30,147	29,599	549	30,147	-
20 Regular programme of technical co-operation	38,401	-1,025	37,376	35,436	1,939	37,376	-
Total - Part V	316,232	1,763	317,995	303,567	14,428	317,995	-
Part VI - Human rights and humanitarian affairs							
21 Human rights	40,309	-349	39,960	38,839	1,120	39,960	-
22A Office of the United Nations High Commissioner for Refugees	51,060	501	51,561	51,238	323	51,561	-
22B United Nations Relief and Works Agency for Palestine Refugees in the Near East	22,101	-758	21,343	21,343	-	21,343	-
023 Department of Humanitarian Affairs	17,917	-21	17,895	17,010	885	17,895	-
Total - Part VI	131,386	-627	130,759	128,430	2,329	130,759	-
Part VII - Public information							
24 Public information	133,559	1,989	135,548	131,408	4,140	135,548	-
Total, part VII	133,559	1,989	135,548	131,408	4,140	135,548	-

Statement IV (concluded)

Appropriation section	APPROPRIATIONS Original (General Assembly resolution 50/205A)	Transfers between Sections	Revised Total	EXPENDITURES Disbursements a/	Unliquidated obligations	Total	BALANCE
Part VIII - Common support services							
25 Administration and management	920,369	-5,115	915,254	872,753	42,501	915,254	-
Total - Part VIII	920,369	-5,115	915,254	872,753	42,501	915,254	-
Part IX - Jointly financed activities and special expenses							
26 Jointly financed administrative activities	26,169	-580	25,588	24,419	1,170	25,588	-
27 Special expenses	33,069	1,242	34,311	33,331	979	34,311	-
Total - Part IX	59,238	661	59,899	57,750	2,149	59,899	-
Part X - Staff assessment							
28 Staff assessment	363,574	13,860	377,434	374,133	3,301	377,434	-
Total - Part X	363,574	13,860	377,434	374,133	3,301	377,434	-
Part XI - Capital expenditures							
29 Technological innovations	25,500	-560	24,940	20,281	4,659	24,940	-
30 Construction, alteration, improvement and major maintenance	56,917	-3,497	53,420	40,215	13,205	53,420	-
Total - Part XI	82,416	-4,057	78,360	60,496	17,864	78,360	-
Part XII - Internal oversight services							
31 Office of Internal Oversight Services	11,311	-311	11,000	10,729	271	11,000	-
Total - Part XII	11,311	-311	11,000	10,729	271	11,000	-
Part XIII - International Seabed Authority							
32 International Seabed Authority	634	-	634	372	13	384	250
Total - Part XIII	634	-	634	372	13	384	250
Grand Total	2,632,435	-	2,632,435	2,523,807	108,208	2,632,016	420

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a/ Includes charges against budget accounts credited to accounts payable.

Schedule 4.1

United Nations General Fund

Status of appropriations by programme and major object of expenditure for the biennium 1994 – 1995 as at 31 December 1995

(Thousands of United States dollars)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part I, Section 1 – Overall policy-making, direction and co-ordination									
General Assembly	3,597	2,513	947	84	8	–	–	3,552	45
Advisory Committee on Administration and Budgetary Questions	2,964	1,244	1,388	258	2	23	–	2,914	50
Committee on Contributions	260	–	260	–	–	–	–	260	0
United Nations Board of Auditors (and secretariat)	3,650	669	6	2,942	9	23	–	3,649	1
United Nations Joint Staff Pension Fund	2,338	–	80	–	117	–	2,109	2,306	33
Committee for Programme and Co-ordination	662	–	658	–	–	–	–	658	4
The Secretary General	1,848	780	643	–	419	–	–	1,841	7
Executive Office of the Secretary General	13,410	11,826	1,044	30	267	244	–	13,410	–0
Office of the Director-General, United Nations Office at Geneva	4,878	4,707	100	–	14	50	–	4,871	7
Office of the Director-General, United Nations Office at Vienna	2,206	2,098	58	–	11	18	–	2,185	22
Early separation	40	40	–	–	–	–	–	40	0
Total – Section 1	35,854	23,878	5,182	3,313	846	358	2,109	35,685	169
Total – Part I	35,854	23,878	5,182	3,313	846	358	2,109	35,685	169

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part II, Section 3 – Political Affairs									
Policy-making organs	649	10	323	56	11	–	248	649	–
Executive direction and management	15,333	11,634	969	12	1,707	1,011	0	15,333	–
Political and Security Council affairs (including disarmament)	42,629	38,582	1,126	114	615	289	1,904	42,629	–
Political affairs, trusteeship and decolonization	2,868	2,865	–	–	2	–	–	2,868	–
Other special African questions	1,592	1,569	2	2	11	9	–	1,592	–
Special missions	978	693	75	–	150	60	–	978	–
Early separation	406	406	–	–	–	–	–	406	–
Total, section 3	64,453	55,759	2,495	183	2,496	1,369	2,152	64,453	–
Part II, Section 4 – Peace-keeping operations and special missions a/									
Executive direction and management	7,037	6,124	119	0	701	94	–	7,037	–
Special Missions	124,142	90,686	10,724	370	16,622	5,729	11	124,142	–
Representative of the Secretary-General	11,926	7,049	1,363	23	2,382	1,108	2	11,926	–
Field operations support	5,811	4,801	14	–	991	5	–	5,811	–
Early separation	728	728	–	–	–	–	–	728	–
Total – Section 4	149,644	109,388	12,220	393	20,696	6,935	13	149,644	–
Total – Part II	214,097	165,147	14,714	576	23,192	8,304	2,165	214,097	–
Part III, Section 5 - International justice and law									
International Court of Justice	18,498	13,884	127	4,479	8	–	–	18,498	–
Administration and common services	2,873	–	–	491	2,185	197	–	2,873	–
Total – Section 5	21,371	13,884	127	4,970	2,193	197	–	21,371	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part III, Section 7 - Legal activities									
Policy-making organs	3,253	406	2,263	574	7	4	–	3,253	–
Executive direction and management	3,474	3,283	31	2	125	33	–	3,474	–
Legal affairs	15,290	13,282	85	952	130	514	328	15,290	–
Law of the Sea and Ocean Affairs	7,899	6,945	166	4	638	146	–	7,899	–
Early separation	273	273	–	–	–	–	–	273	–
Total – Section 7	30,189	24,189	2,545	1,531	900	696	328	30,189	–
Total – Part III	51,560	38,073	2,672	6,502	3,093	893	328	51,560	–
Part IV, Section 8 – Department for Policy Co-ordination and Sustainable Development									
Policy-making organs	1,522	–	1,386	136	–0	–	–	1,522	–
Special meetings and conferences	4,018	3,090	462	24	443	–	–	4,018	–
Executive direction and management	2,487	1,832	155	–	–	–	500	2,487	–
Food and agriculture	1,223	1,096	21	5	–	–	101	1,223	–
Development issues and policies	9,203	8,909	274	20	–	–	–	9,203	–
Global climate	2,877	2,369	269	–	184	54	–	2,877	–
Social development and humanitarian affairs	8,992	8,692	152	92	0	–	55	8,992	–
Desertification	3,806	3,215	386	–	167	38	–	3,806	–
Secretariat services	4,832	4,482	314	36	–	–	–	4,832	–
Programme planning and co-ordination	4,922	4,806	107	9	–	–	–	4,922	–
Information services	708	568	4	99	36	1	–	708	–
Administration and common services	3,197	2,269	–	–	774	154	–	3,197	–
Early separation	309	309	–	–	–	–	–	309	–
Total – Section 8	48,096	41,637	3,531	420	1,605	247	657	48,096	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part IV, Section 9 – Department for Economic and Social Information and Policy Analysis									
Policy–making organs	145	–	145	–	–	–	–	145	–
Special meetings and conferences	641	617	8	–	7	9	–	641	–
Executive direction and management	1,964	1,909	49	–	6	–	–	1,964	–
Development issues and policies	12,476	12,165	118	47	116	30	–	12,476	–
Population	6,846	6,645	86	70	40	5	–	6,846	–
Statistics	21,861	20,961	120	422	282	76	–	21,861	–
Administration and common services	2,674	2,168	–	–	488	18	–	2,674	–
Early separation	720	720	–	–	–	–	–	720	–
Total – Section 9	47,325	45,184	525	539	940	139	–	47,325	–
Part IV, Section 10 – Department for Development Support and Management Services									
Policy–making organs	309	–	309	–	–	–	–	309	–
Executive direction and management	1,363	1,289	74	–	–	–	–	1,363	–
Economic management and social development	6,456	6,387	69	–	–	–	–	6,456	–
Natural resources and energy	3,594	3,510	85	–	–	–	–	3,594	–
Public administration and finance	13,779	13,628	147	4	–	–	–	13,779	–
Administration and common services	2,711	2,081	1	12	512	105	–	2,711	–
Early separation	251	251	–	–	–	–	–	251	–
Total – Section 10	28,463	27,145	686	15	512	105	–	28,463	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part IV, Section 11A – United Nations Conference on Trade and Development									
Policy–making organs	367	–	367	–	–	–	–	367	–
Executive direction and management	8,202	7,887	246	69	–	–	–	8,202	–
International trade (general)	33,741	33,134	460	147	–	–	–	33,741	–
Least developed, land–locked, island developing countries special programmes	8,366	8,077	226	62	–	–	–	8,366	–
Trade expansion and service sector development	16,932	16,727	187	18	–	–	–	16,932	–
Transnational corporations	10,875	10,545	164	166	–	–	–	10,875	–
Science and technology	6,128	6,059	38	31	–	–	–	6,128	–
Administration and common services	28,853	22,113	194	287	5,193	1,065	–	28,853	–
Early separation	1,412	1,412	–	–	–	–	–	1,412	–
Total – Section 11A	114,874	105,953	1,882	781	5,193	1,065	–	114,874	–
Part IV, Section 11B – International Trade Centre UNCTAD/GATT									
Trade promotion	20,835	–	–	–	–	–	20,835	20,835	–
Total – Section 11B	20,835	–	–	–	–	–	20,835	20,835	–
Part IV, Section 12A – United Nations Environment Programme									
Policy–making organs	1,547	1,357	–	7	184	–	–	1,547	–
Executive direction and management	2,316	2,050	206	51	–	10	–	2,316	–
Environment	4,097	4,059	19	–	19	–	–	4,097	–
Conference services	1,940	1,913	–	26	0	–	–	1,940	–
Administration and common services	1,910	1,576	29	18	247	40	–	1,910	–
Total – Section 12A	11,810	10,955	253	102	450	50	–	11,810	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part IV, Section 12 B – United Nations Centre for Human Settlements (HABITAT)									
Policy-making organs	1,067	1,047	–	–	20	–	–	1,067	–
Special meetings and conferences	1,060	829	79	–	133	20	–	1,060	–
Executive direction and management	1,969	1,887	26	–	53	4	–	1,969	-
Human settlements	7,555	7,442	64	49	–	–	–	7,555	–
Administration and common services	1,527	1,194	8	9	277	39	–	1,527	–
Total – Section 12B	13,177	12,399	176	58	482	63	–	13,177	–
Part IV, Section 13 – Crime Control									
Policy-making organs	661	246	375	–	40	–	–	661	–
Social development and humanitarian affairs	4,001	3,805	39	75	–	81	–	4,001	–
Total – Section 13	4,662	4,051	415	75	40	81	–	4,662	–
Part IV, Section 14 – International drug control									
Policy-making organs	917	–	833	84	–	–	–	917	–
Executive direction and management	1,655	1,618	36	–	2	–	–	1,655	–
Narcotic drugs control	12,127	11,367	199	349	180	33	–	12,127	–
Early Separation	102	102	–	–	–	–	–	102	–
Total – Section 14	14,801	13,086	1,067	434	181	33	–	14,801	–
Total – Part IV	304,042	260,410	8,534	2,423	9,403	1,782	21,491	304,042	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part V, Section 15 – Economic Commission for Africa									
Policy–making organs	607	459	–	41	107	–	–	607	–
Executive direction and management	3,942	3,706	222	–	13	–	–	3,942	–
Food and agriculture	1,942	1,903	39	–	–	–	–	1,942	–
Marine affairs	257	257	–	–	–	–	–	257	–
Development issues and policies	5,035	4,010	87	50	–	–	888	5,035	–
Environment	545	516	29	–	–	–	–	545	–
Human settlements	392	370	23	–	–	–	–	392	–
Industrial development (general)	3,986	3,749	237	–	–	–	–	3,986	–
International trade (general)	1,799	1,757	42	–	–	–	–	1,799	–
Least developed, land–locked, island developing countries special programmes	632	603	29	–	–	–	–	632	–
Economic co–operation among developing countries	7,704	6,966	267	44	387	40	–	7,704	–
Development finance, resource flows and external debt	1,018	961	57	–	–	–	–	1,018	–
Natural resources	2,927	2,822	87	18	–	–	–	2,927	–
Population	1,688	1,621	67	–	–	–	–	1,688	–
Public administration and finance	1,142	1,112	29	–	–	–	–	1,142	–
Science and technology	739	695	44	–	–	–	–	739	–
Social development and humanitarian affairs	1,576	1,157	89	–	16	–	315	1,576	–
Statistics	3,043	2,970	20	53	–	–	–	3,043	–
Transport, communications and tourism	3,654	3,462	192	–	–	–	–	3,654	–
Energy	640	608	31	–	–	–	–	640	–
Conference services	6,280	5,698	211	372	0	–	–	6,280	–
Information services	567	557	11	–	–	–	–	567	–
Management of technical co–operation activities (field support)	863	840	23	–	–	–	–	863	–
Administration and common services	16,148	9,640	89	–	5,283	1,136	–	16,148	–
Staff training activities	348	–	–	336	–	12	–	348	–
Construction planning	435	425	10	–	–	–	–	435	–
Early separation	516	516	–	–	–	–	–	516	–
Total – Section 15	68,425	57,380	1,934	914	5,807	1,188	1,203	68,425	–

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part V, Section 16 – Economic and Social Commission for Asia and the Pacific									
Policy–making organs	693	219	361	61	52	–	–	693	–
Executive direction and management	2,733	2,584	150	–	–	–	–	2,733	–
Food and agriculture	1,419	1,410	9	–	–	–	–	1,419	–
Development issues and policies	3,085	2,974	56	56	–	–	–	3,085	–
Environment	1,079	1,050	23	7	–	–	–	1,079	–
Human settlements	562	549	13	–	–	–	–	562	–
Industrial development (general)	2,304	2,262	39	4	–	–	–	2,304	–
International trade (general)	3,022	2,979	37	6	–	–	–	3,022	–
Least developed, land–locked, island developing countries special programmes	702	652	50	–	–	–	–	702	–
Natural resources	3,284	3,197	28	59	–	–	–	3,284	–
Population	1,470	1,410	45	15	–	–	–	1,470	–
Social development and humanitarian affairs	1,998	1,939	53	7	–	–	–	1,998	–
Statistics	2,433	2,350	34	48	–	–	–	2,433	–
Transport	3,582	3,530	48	5	–	–	–	3,582	–
Energy	1,315	1,287	13	16	–	–	–	1,315	–
Conference services	7,881	7,670	6	1	204	–	–	7,881	–
Information services	766	762	–	–	5	–	–	766	–
Management of technical co–operation activities (field support)	928	920	8	–	–	–	–	928	–
Administration and common services	18,014	11,953	86	44	4,856	1,076	–	18,014	–
Staff training activities	84	–	–	60	5	19	–	84	–
Construction planning	200	200	–	–	–	–	–	200	–
Early separation	1,156	1,156	–	–	–	–	–	1,156	–
Total – Section 16	58,709	51,051	1,056	387	5,120	1,095	–	58,709	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part V, Section 17 – Economic Commission for Europe									
Executive direction and management	2,702	2,491	167	29	15	–	–	2,702	–
Food and agriculture	2,461	2,443	18	–	–	–	–	2,461	–
Development issues and policies	6,593	6,551	22	9	10	–	–	6,593	–
Environment	6,068	6,031	36	2	–	–	–	6,068	–
Human settlements	1,179	1,174	5	–	–	–	–	1,179	–
Industrial development (general)	4,291	4,268	19	4	–	–	–	4,291	–
International trade (general)	1,749	1,729	14	6	–	–	–	1,749	–
Statistics	6,688	6,636	39	9	4	–	–	6,688	–
Transport, communications and tourism	5,874	5,751	57	66	–	–	–	5,874	–
Trade facilitation	1,732	1,697	32	3	–	–	–	1,732	–
Energy	3,622	3,604	18	–	–	–	–	3,622	–
Administration and common services	4,111	3,610	11	30	182	278	–	4,111	–
Early separation	923	923	–	–	–	–	–	923	–
Total – Section 17	47,992	46,907	438	158	211	278	–	47,992	–
Part V, Section 18 – Economic Commission for Latin America and the Caribbean									
Policy-making organs	643	234	312	20	77	–	–	643	–
Executive direction and management	5,400	5,214	186	–	–	–	–	5,400	–
Food and agriculture	766	766	–	–	–	–	–	766	–
Development issues and policies	15,011	14,758	253	–	–	–	–	15,011	–
Environment	1,032	1,004	28	–	–	–	–	1,032	–
Industrial, scientific and technological development	1,407	1,402	4	–	–	–	–	1,407	–
International trade (general)	2,722	2,695	28	–	–	–	–	2,722	–
Economic development among developing countries	249	247	3	–	–	–	–	249	–
Natural resources and energy	1,670	1,632	38	–	–	–	–	1,670	–
Population	2,050	2,014	35	–	–	–	–	2,050	–
Social development	2,290	2,236	36	–	–	–	18	2,290	–
Statistics	4,168	4,108	60	–	–	–	–	4,168	–
Transport	1,359	1,356	3	–	–	–	–	1,359	–
Conference services	7,104	6,365	9	243	444	43	–	7,104	–
Information services	648	457	–	38	154	–	–	648	–

Programme	Revised appro- priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Library services	1,787	1,625	6	–	156	–	–	1,787	–
Management of technical co-operation activities (field support)	1,327	1,325	2	–	–	–	–	1,327	–
Administration and common services	23,842	15,771	59	271	6,952	789	–	23,842	–
Staff training activities	124	2	–	118	2	1	–	124	–
Early separation	1,749	1,749	–	–	–	–	–	1,749	–
Total – Section 18	75,347	64,960	1,062	688	7,785	834	18	75,347	–
Part V, Section 19 – Economic and Social Commission for Western Asia									
Policy–making organs	43	43	–	–	–	–	–	43	–
Executive direction and management	2,606	2,498	108	–	–	–	–	2,606	–
Food and agriculture	1,233	1,223	10	–	–	–	–	1,233	–
Development issues and policies	1,108	1,092	16	–	–	–	–	1,108	–
Environment	396	386	10	–	–	–	–	396	–
Human settlements	724	714	10	–	–	–	–	724	–
Industrial development (general)	1,281	1,260	20	–	–	–	–	1,281	–
International trade and development finance	331	322	10	–	–	–	–	331	–
Natural resources	996	970	26	–	–	–	–	996	–
Population	1,222	1,197	25	–	–	–	–	1,222	–
Public administration and finance	336	330	6	–	–	–	–	336	–
Science and technology	538	520	18	–	–	–	–	538	–
Social development and welfare	1,203	1,156	48	–	–	–	–	1,203	–
Statistics	1,518	1,488	31	–	–	–	–	1,518	–
Transport and communications	892	871	21	–	–	–	–	892	–
Energy	493	480	13	–	–	–	–	493	–
Conference services	3,457	3,432	11	14	–	–	–	3,457	–
Information services	157	151	6	–	–	–	–	157	–
Library services	362	362	–	–	–	–	–	362	–
Management of technical co-operation activities (field support)	508	506	3	–	–	–	–	508	–
Administration and common services	10,600	6,871	47	142	3,071	470	–	10,600	–
Staff training activities	50	17	3	30	–	–	–	50	–
Early Separation	92	92	–	–	–	–	–	92	–
Total – Section 19	30,147	25,980	441	186	3,071	470	–	30,147	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part V, Section 20 – Regular programme of technical co-operation									
Population	1,143	899	156	–	2	–	86	1,143	–
Food and agriculture	564	449	94	–	–	–	22	564	–
Development issues and policies	8,841	7,670	854	–	6	–	312	8,841	–
Environment	1,264	1,019	218	–	–	–	27	1,264	–
Human rights activities	2,236	1,409	482	–	14	–	332	2,236	–
Human settlements	874	782	60	–	2	–	30	874	–
Industrial development (general)	1,713	1,419	216	–	–	–	79	1,713	–
International trade (general)	3,278	2,845	341	–	–	–	93	3,278	–
Shipping and ports	326	281	45	–	–	–	–	326	–
Natural resources	3,345	3,036	276	–	0	–	33	3,345	–
Public administration and finance	3,202	2,703	311	58	60	–	70	3,202	–
Science and technology	197	187	10	–	–	–	–	197	–
Social development and humanitarian affairs	2,338	1,742	262	–	1	–	333	2,338	–
Statistics	2,994	2,179	474	7	–	2	332	2,994	–
Transport, communications and tourism	1,428	1,261	115	–	–	–	53	1,428	–
Energy	2,363	2,194	141	10	–	–	18	2,363	–
Administration and common services	1,270	1,140	–	–	–	94	36	1,270	–
Total – Section 20	37,376	31,211	4,055	75	84	96	1,855	37,376	–
Total – Part V	317,995	277,489	8,985	2,408	22,078	3,960	3,075	317,995	–
Part VI, Section 21 – Human Rights									
Policy-making organs	5,131	776	4,059	176	120	–	–	5,131	–
Special meetings and conferences	7,226	3,768	2,887	4	533	34	–	7,226	–
Executive direction and management	3,138	2,737	310	–	68	23	–	3,138	–
Human rights activities	24,327	23,767	325	75	50	111	–	24,327	–
Early separation	138	138	–	–	–	–	–	138	–
Total – Section 21	39,960	31,186	7,581	255	771	167	–	39,960	–

Schedule 4.1 (continued)

Programme	Revised appro- priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part VI, Section 22A – Office of the United Nations High Commissioner for Refugees									
Executive direction and management	3,789	3,789	–	–	–	–	–	3,789	–
International protection of and assistance to refugees	29,099	29,099	–	–	–	–	–	29,099	–
Information services	4,415	4,415	–	–	–	–	–	4,415	–
Administration and common services	14,259	14,259	–	–	–	–	–	14,259	–
Total – Section 22A	51,561	51,561	–	–	–	–	–	51,561	–
Part VI, Section 22B – United Nations Relief and Works Agency for Palestine Refugees in the Near East									
Assistance to refugees	21,343	21,343	–	–	–	–	–	21,343	–
Total – Section 22B	21,343	21,343	–	–	–	–	–	21,343	–
Part VI, Section 23 – Department of Humanitarian Affairs									
Executive direction and management	2,892	2,655	238	–	–	–	–	2,892	–
Emergency humanitarian assistance	12,000	10,066	779	–	–	–	1,155	12,000	–
Administration and common services	2,858	1,587	-71	133	787	421	–	2,858	–
Early separation	145	145	–	–	–	–	–	145	–
Total – Section 23	17,895	14,452	947	133	787	421	1,155	17,895	–
Total – Part VI	130,759	118,542	8,527	388	1,558	588	1,155	130,759	–
Part VII, Section 24 – Public Information									
Special meetings and conferences	1,659	481	116	827	49	–	186	1,659	–
Executive direction and management	3,682	3,509	152	6	15	–	–	3,682	–
Publishing services	3,897	3,820	–	–	42	35	–	3,897	–
Information services	98,215	72,006	964	14,147	8,179	2,664	254	98,215	–
Library services	18,689	16,131	13	485	1,671	389	–	18,689	–

Schedule 4.1 (continued)

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Administration and common services	7,837	5,467	–	–	2,191	178	–	7,837	–
Early separation	1,570	1,570	–	–	–	–	–	1,570	–
Total – Section 24	135,548	102,984	1,245	15,465	12,147	3,266	440	135,548	–
Total – Part VII	135,548	102,984	1,245	15,465	12,147	3,266	440	135,548	–
Part VIII, Section 25 - Administration and Management									
Executive direction and management	4,188	4,060	72	–	36	20	–	4,188	–
Conference services	25,840	17,620	91	1,251	3,156	3,201	521	25,840	–
Translation services	156,379	148,282	413	3,749	0	110	3,825	156,379	–
Interpretation and meetings services	94,382	93,186	1,171	–	–	5	19	94,382	–
Editorial and official records services	97,472	96,192	221	–	–	–	1,059	97,472	–
Publishing services	78,915	63,924	62	26	11,595	1,663	1,644	78,915	–
Library services	12,386	9,205	10	114	1,393	160	1,503	12,386	–
Administration and common services	5,296	5,105	-1	–	125	67	–	5,296	–
Administration and management	1,936	1,835	34	–	1	–	66	1,936	–
Electronic data processing	40,320	14,779	152	510	22,269	1,863	747	40,320	–
Financial services	32,255	30,976	43	377	582	227	51	32,255	–
Personnel services	38,588	33,309	297	526	473	292	3,691	38,588	–
Staff training activities	20,148	8,472	244	10,922	158	353	–	20,148	–
General services	295,734	152,570	266	8,107	125,379	5,341	4,070	295,734	–
Early separation	11,415	11,415	–	–	–	–	–	11,415	–
Total – Section 25	915,254	690,930	3,073	25,583	165,168	13,303	17,196	915,254	–
Total – Part VIII	915,254	690,930	3,073	25,583	165,168	13,303	17,196	915,254	–
Part IX, Section 26 - Jointly financed administrative activities									
International Civil Service Commission	9,689	6,862	891	465	1,411	61	–	9,689	–
Joint Inspection Unit	9,003	8,206	573	3	156	65	–	9,003	–
Secretariat of the Consultative Committee on Admistratative Questions (United Nations share)	470	–	–	–	–	–	470	470	–
Advisory Committee for the Co-ordination of Information Systems (United Nations share)	402	–	–	–	–	–	402	402	–

Programme	Revised appro-priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
International Computing Centre (United Nations share)	5,873	–	–	–	–	–	5,873	5,873	–
Early separation	152	152	–	–	–	–	–	152	–
Total – Section 26	25,588	15,219	1,464	468	1,567	126	6,744	25,588	–
Part IX, Section 27 – Special expenses									
Miscellaneous expenses	34,311	31,912	27	12	2,359	1	0	34,311	–
Total – Section 27	34,311	31,912	27	12	2,359	1	0	34,311	–
Total – Part IX	59,899	47,131	1,492	480	3,925	127	6,744	59,899	–
Part X, Section 28 – Staff assessment									
Staff assessment	374,133	374,133	–	–	–	–	–	374,133	–
Early separation	3,301	3,301	–	–	–	–	–	3,301	–
Total – Section 28	377,434	377,434	–	–	–	–	–	377,434	–
Total – Part X	377,434	377,434	–	–	–	–	–	377,434	–
Part XI, Section 29 – Technological innovations									
Integrated Management Information System	19,355	–	–	4,366	56	–	14,933	19,355	–
Personnel Services	224	224	–	–	–	–	–	224	–
Optical Disk Storage and Retrieval System	4,924	36	–	–	1,885	3,003	–	4,924	–
Financial Services	437	437	–	–	0	–	–	437	–
Total – Section 29	24,940	697	–	4,366	1,941	3,003	14,933	24,940	–
Part XI, Section 30 – Construction, alteration, improvement and major maintenance									
Construction	17,242	–	–	–	–	17,242	–	17,242	–
Alteration and improvement	22,653	–	–	–	–	22,653	–	22,653	–
Major maintenance	13,525	–	–	–	–	13,525	–	13,525	–
Total – Section 30	53,420	–	–	–	–	53,420	–	53,420	–
Total – Part XI	78,360	697	–	4,366	1,941	56,423	14,933	78,360	–

Schedule 4.1 (concluded)

Programme	Revised appro- priations	Salaries & common staff costs	Travel	Contractual services	Operating expenses & supplies	Acquisitions and new premises	All other expenses	Total expenditures	Balance
Part XII, Section 31 – Office of Internal Oversight Services									
Office of the Under-Secretary General	680	667	13	1	–	–	–	680	–
Internal Audit Division	6,020	5,623	174	44	88	91	–	6,020	–
Management Advisory Services	936	898	30	–	0	9	–	936	–
Central Monitoring and Inspection Services	1,161	1,153	9	–	–	–	–	1,161	–
Central Evaluation Services	1,328	1,260	1	–	11	56	–	1,328	–
Investigations services	797	792	5	–	–	–	–	797	–
Early separation	77	77	–	–	–	–	–	77	–
Total – Section 31	11,000	10,469	230	45	100	156	–	11,000	–
Total – Part XII	11,000	10,469	230	45	100	156	–	11,000	–
Part XIII, Section 32 – International Seabed Authority									
International Seabed Authority	634	35	182	–	167	–	–	334	250
Total – Section 32	634	35	182	–	167	–	–	384	250
Total – Part XIII	634	35	182	–	167	–	–	384	250
Grand Total	2,632,435	2,113,220	54,836	61,547	243,616	89,160	69,637	2,632,016	420

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a/ Total expenditures are made up of the following:

Missions to South Africa	26,723
Missions to Haiti	15,803
Missions to Central America	23,349
UNTSO	46,446
UNMOGIP	11,545
Situation in Afghanistan	1,849
Others	23,929
Total	149,644

Statement V

UNITED NATIONS GENERAL FUND a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Expressed in thousands of United States dollars)

		1995	1993 b/
Income			
Assessed contributions c/		2,459,014	2,427,960
Net income from revenue–producing activities	(Schedule 5.1)	518	8,831
Jointly financed activities		11,660	10,411
Income for services rendered		26,724	20,449
Interest income		1,550	305
Other/miscellaneous income	(Schedule 5.2)	27,768	25,814
TOTAL INCOME		2,527,234	2,493,770
Expenditure			
TOTAL EXPENDITURE	(Statement IV)	2,632,016	2,375,425
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		–104,782	118,345
Savings on, or cancellation of, prior periods' obligations		9,403	–
New Member States contributions		–	5,516
Transfers (to) from other funds		–	–92,593
Adjustments for South Africa's arrears d/		–53,882	–
Other adjustments to fund balances e/		–5,281	–49,991
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD		207,915	226,638
RESERVES AND FUND BALANCES, END OF PERIOD		53,373	207,915

Statement V
(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Expressed in thousands of United States dollars)

	1995	1993 b/
Assets		
Cash and term deposits f/	−3,874	7,663
Assessed contributions receivable from Member States c/ (Schedule 5.3)	564,037	484,431
Inter−fund balances receivable	102,235	69,807
Other accounts receivable	86,725	68,126
Deferred charges	36,529	19,298
Special account for assessed contributions unpaid pursuant to General Assembly resolution 3049 C (XXVII) of 19 December 1972	16,637	16,637
Other assets g/	577	713
TOTAL ASSETS	802,866	666,675
Liabilities		
Contributions or payments received in advance	1,730	962
Unliquidated obligations − current year	108,208	62,222
Unliquidated obligations − future years	2,245	1,735
Inter−fund balances payable	63,841	36,610
Due to Tax Equalization Fund	34,973	9,852
Due to United Nations Working Capital Fund	100,060	99,504
Due to United Nations Special Account	141,446	124,349
Due to United Nations Peace−keeping Reserve Fund	57,601	82,601
Due to United Nations Protection Force	175,815	−
Other accounts payable	61,280	37,489
Other liabilities	2,294	3,436
TOTAL LIABILITIES	749,493	458,760
Reserves and fund balances		
Authorized retained surplus	68,356	122,238
Final 1994−1995 appropriations to be assessed in 1996	−25,108	58,179
Surplus available for credit to Member States in 1997	10,125	27,498
TOTAL RESERVES AND FUND BALANCES	53,373	207,915
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	802,866	666,675

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a/ See note 5.

b/ Comparative figures reclassified to conform to current presentation.

c/ Includes assessed contributions unpaid irrespective of collectibility. See note 4 for reconciliation of appropriations and assessments.

d/ Under the terms of General Assembly resolution 50/83 of 15 December 1995, authorized retained surplus was reduced by $53,881,711 to offset the waiver of South Africa's unpaid contributions to the United Nations General Fund for the period from 30 September 1974 to 23 June 1994.

e/ Comprises the 1993 assessment of the Czech Republic of $3,928,968 and Slovakia of $1,216,110, which were credited to all Member States, and the 1993 assessment of The Former Yugoslav Republic of Macedonia of $136,068, which was deducted from those of Yugoslavia in 1993.

f/ Comprises nominal overdraft at Chemical Bank of ($22,602,062) offset by other operational cash and time deposits of $18,728,197 held at other banks.

g/ Represents physical inventory of the United Nations Gift Centre.

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS GENERAL FUND

Revenue–Producing Activities: Income and Expenditure for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	Sale of UN Postage Stamps	Garage Operation	Gift Center	Newsstand	Sale of Publications	Services to Visitors	Statistical Services a/	Total as at 31 Dec. 1995	Total as at 31 Dec. 1993 a/
Income: Gross receipts	22,532	2,629	5,751	155	16,218	5,354	794	53,433	57,736
Less: Cost of sales	3,869	–	2,618	–	4,253	–	–	10,740	10,505
Net income from sales	18,663	2,629	3,133	155	11,965	5,354	794	42,693	47,231
Expenditure:									
Staff and other personnel costs	17,869	961	1,769	–	6,849	6,998	350	34,796	31,200
Operating expenses	1,244	66	81	–	2,101	96	300	3,888	3,564
Acquisitions	243	–	22	–	132	15	88	500	518
Promotional costs	1,658	–	–	–	1,099	187	–	2,944	2,987
Management fees	–	–	49	–	29	–	–	78	131
Total expenditure	21,014	1,027	1,921	–	10,210	7,296	738	42,206	38,400
Excess of income over expenditure	(2,351)	1,602	1,212	155	1,755	(1,942)	56	487	8,831
Final estimates for the biennium 1994–1995	(3,339)	1,532	1,177	150	1,041	(2,154)	–	(1,593)b/	7,644

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a/ Prior to 1 January 1994 net revenues from Statistical Services had been included as part of Miscellaneous Income, Section II of the Regular Budget

b/ Includes $587,100 cost of security expenses distributed among the U.N.Postal Administration, the U.N. Sale of Publications (Bookshop), and the U.N. Gift Centre.

UNITED NATIONS GENERAL FUND

Miscellaneous income for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	Final estimates for the biennium 1994–1995	Actual for the biennium 1994–1995	Actual for the biennium 1992–1993
Net income from revenue–producing activities	(1,593)	518	8,831
Jointly financed activities:			
Specialized agencies share of costs for the International Civil Service Commision	7,750	6,916	5,816
Specialized agencies share of costs for the Joint Inspection Unit	6,604	4,744	4,595
Sub–total	14,354	11,660	10,411
Income for services rendered	26,279	26,724	20,449
Interest income	1,211	1,550	305
Other/miscellaneous income:			
Income from rental of premises	13,295	12,528	11,019
Sale of used equipment	338	445	295
Refund of prior years' expenditures	2,057	2,125	3,297
Contributions of Non–Member States	7,543	7,543	7,001
Television and similar services	1,268	1,341	1,403
Other	3,165	3,786	2,799
Sub–total	27,666	27,768	25,814
TOTAL NON–ASSESSED INCOME	67,917	68,220	65,810

SCHEDULE 5.3

UNITED NATIONS GENERAL FUND

Assessed contributions unpaid as at 31 December 1995

(United States dollars)

Member States	Assessed Contributions Unpaid as at 1 January 1994	Net Assessed Contributions 1994 and 1995 a/	Collections During 1994 and 1995	Assessed contributions unpaid			
				Prior years	1994	1995	Total
AFGHANISTAN	102,051	211,006	–	102,051	101,728	109,278	313,057
ALBANIA	–	211,006	211,006	–	–	–	–
ALGERIA	–	3,376,103	3,376,103	–	–	–	–
ANDORRA	–	211,006	211,006	–	–	–	–
ANGOLA	279,620	211,006	490,626	–	–	–	–
ANTIGUA AND BARBUDA	100,000	211,006	311,006	–	–	–	–
ARGENTINA	–	11,043,867	7,798,534	–	–	3,245,333	3,245,333
ARMENIA	1,326,665	2,196,695	1,370,000	–	1,279,138	874,222	2,153,360
AUSTRALIA	–	31,315,580	31,315,580	–	–	–	–
AUSTRIA	–	16,918,261	16,918,261	–	–	–	–
AZERBAIJAN	3,707,573	3,986,474	4,799,985	–	1,145,618	1,748,444	2,894,062
BAHAMAS	93,695	422,013	515,708	–	–	–	–
BAHRAIN	–	523,742	523,742	–	–	–	–
BANGLADESH	–	211,006	211,006	–	–	–	–
BARBADOS	–	211,006	211,006	–	–	–	–
BELARUS	5,951,533	8,926,252	4,500,000	1,451,533	4,882,975	4,043,277	10,377,785
BELGIUM	–	21,601,737	21,601,737	–	–	–	–
BELIZE	–	211,006	211,006	–	–	–	–
BENIN	121,365	211,006	332,371	–	–	–	–
BHUTAN	102,051	211,006	102,051	–	101,728	109,278	211,006
BOLIVIA	–	211,006	102,000	–	–	109,006	109,006
BOSNIA AND HERZEGOVINA	637,995	625,471	169,688	468,307	406,915	218,556	1,093,778
BOTSWANA	–	211,006	211,006	–	–	–	–
BRAZIL	12,409,038	33,877,855	46,286,893	–	–	–	–
BRUNEI DARUSSALAM	–	523,742	523,742	–	–	–	–
BULGARIA	1,020,512	2,415,250	2,561,540	–	–	874,222	874,222
BURKINA FASO	295,814	211,006	272,878	22,936	101,728	109,278	233,942
BURUNDI	135,444	211,006	76,347	59,097	101,728	109,278	270,103
CAMBODIA	256,630	211,006	256,665	–	101,693	109,278	210,971
CAMEROON	40,000	211,006	251,006	–	–	–	–
CANADA	–	65,185,887	65,185,887	–	–	–	–
CAPE VERDE	82,949	211,006	100,000	–	84,677	109,278	193,955
CENTRAL AFRICAN REPUBLIC	263,025	211,006	107,422	155,603	101,728	109,278	366,609
CHAD	309,194	211,006	195,800	113,394	101,728	109,278	324,400
CHILE	900,000	1,688,051	1,088,051	–	625,778	874,222	1,500,000
CHINA	–	15,701,106	15,701,106	–	–	–	–
COLOMBIA	–	2,524,528	2,524,528	–	–	–	–
COMOROS	211,361	211,006	5,000	206,361	101,728	109,278	417,367
CONGO	176,416	211,006	230,112	–	48,032	109,278	157,310

SCHEDULE 5.3 (continued)

Member States	Assessed Contributions Unpaid as at 1 January 1994	Net Assessed Contributions 1994 and 1995	Collections During 1994 and 1995	Assessed contributions unpaid			
				Prior years	1994	1995	Total
COSTA RICA	267,041	211,006	408,289	–	–	69,758	69,758
COTE D' IVOIRE	301,064	312,735	489,934	–	14,587	109,278	123,865
CROATIA	1,940,831	2,415,250	2,407,007	–	856,297	1,092,777	1,949,074
CUBA	1,097,504	1,680,504	1,690,000	–	323,063	764,945	1,088,008
CYPRUS	–	531,290	422,012	–	–	109,278	109,278
CZECHOSLOVAKIA	–	7,769,492	7,769,492	–	–	–	–
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	310,256	945,755	515,570	–	303,330	437,111	740,441
DENMARK	–	14,261,807	14,261,807	–	–	–	–
DJIBOUTI	216,974	211,006	216,974	–	101,728	109,278	211,006
DOMINICA	68,015	211,006	857	67,158	101,728	109,278	278,164
DOMINICAN REPUBLIC	857,780	312,735	244,100	613,680	203,457	109,278	926,415
ECUADOR	497,815	523,742	925,382	–	–	96,175	96,175
EGYPT	–	1,477,046	1,477,046	–	–	–	–
EL SALVADOR	137,651	211,006	348,657	–	–	–	–
EQUATORIAL GUINEA	311,424	211,006	252,500	58,924	101,728	109,278	269,930
ERITREA	–	211,006	211,006	–	–	–	–
ESTONIA	1,470,390	1,258,490	1,279,550	190,840	712,101	546,389	1,449,330
ETHIOPIA	–	211,006	211,006	–	–	–	–
FIJI	–	211,006	211,006	–	–	–	–
FINLAND	–	12,464,478	12,464,478	–	–	–	–
FRANCE	–	130,100,743	130,100,743	–	–	–	–
GABON	204,102	312,735	–	204,102	203,457	109,278	516,837
GAMBIA	226,118	211,006	152,967	73,151	101,728	109,278	284,157
GEORGIA	3,004,785	3,884,746	–	3,004,785	2,136,302	1,748,444	6,889,531
GERMANY	–	188,538,013	188,538,013	–	–	–	–
GHANA	–	211,006	211,006	–	–	–	–
GREECE	–	7,603,780	7,603,780	–	–	–	–
GRENADA	233,751	211,006	100,000	133,751	101,728	109,278	344,757
GUATEMALA	585,528	422,013	468,560	116,968	203,457	218,556	538,981
GUINEA	54,620	211,006	–	54,620	101,728	109,278	265,626
GUINEA-BISSAU	321,751	211,006	200,000	121,751	101,728	109,278	332,757
GUYANA	–	211,006	95,524	–	6,204	109,278	115,482
HAITI	295,959	211,006	206,400	89,559	101,728	109,278	300,565
HONDURAS	140,456	211,006	79,470	60,986	101,728	109,278	271,992
HUNGARY	–	3,470,282	3,470,282	–	–	–	–
ICELAND	–	633,019	633,019	–	–	–	–
INDIA	1,217	7,049,843	7,051,060	–	–	–	–
INDONESIA	–	3,157,548	3,157,548	–	–	–	–

Member States	Assessed Contributions Unpaid as at 1 January 1994	Net Assessed Contributions 1994 and 1995	Collections During 1994 and 1995	Assessed contributions unpaid			
				Prior years	1994	1995	Total
IRAN (ISLAMIC REPUBLIC OF)	8,441,002	14,389,773	15,528,060	–	746,048	6,556,667	7,302,715
IRAQ	1,321,962	2,852,362	–	1,321,962	1,322,473	1,529,889	4,174,324
IRELAND	–	4,016,671	4,016,671	–	–	–	–
ISRAEL	4,664,470	5,180,981	5,429,473	–	1,574,756	2,841,222	4,415,978
ITALY	–	95,985,644	95,985,644	–	–	–	–
JAMAICA	38,496	211,006	249,502	–	–	–	–
JAPAN	–	279,094,664	279,094,664	–	–	–	–
JORDAN	–	211,006	211,006	–	–	–	–
KAZAKHSTAN	3,571,790	6,401,725	2,500,000	1,071,790	3,560,503	2,841,222	7,473,515
KENYA	176,545	211,006	387,551	–	–	–	–
KUWAIT	–	4,728,771	4,728,771	–	–	–	–
KYRGYZSTAN	1,055,473	1,047,484	612,307	443,166	610,373	437,111	1,490,650
LAO PEOPLE'S DEMOCRATIC			–				–
REPUBLIC	–	211,006	211,006	–	–	–	–
LATVIA	2,663,313	2,415,250	1,251,430	1,411,883	1,322,473	1,092,777	3,827,133
LEBANON	102,051	211,006	313,057	–	–	–	–
LESOTHO	–	211,006	211,006	–	–	–	–
LIBERIA	341,345	211,006	–	341,345	101,728	109,278	552,351
LIBYAN ARAB JAMAHIRIYA	–	4,736,321	4,736,321	–	–	–	–
LIECHTENSTEIN	–	211,006	211,006	–	–	–	–
LITHUANIA	2,366,318	2,727,986	1,952,162	414,156	1,525,931	1,202,055	3,142,142
LUXEMBOURG	–	1,375,318	1,375,318	–	–	–	–
MADAGASCAR	172,562	211,006	229,668	–	44,622	109,278	153,900
MALAWI	180,533	211,006	385,423	–	–	6,116	6,116
MALAYSIA	–	2,750,633	2,750,633	–	–	–	–
MALDIVES	102,051	211,006	203,779	–	–	109,278	109,278
MALI	304,197	211,006	186,709	117,488	101,728	109,278	328,494
MALTA	–	211,006	211,006	–	–	–	–
MARSHALL ISLANDS	2,051	211,006	213,057	–	–	–	–
MAURITANIA	188,981	211,006	125,312	63,669	101,728	109,278	274,675
MAURITIUS	–	211,006	211,006	–	–	–	–
MEXICO	–	17,475,786	17,475,786	–	–	–	–
MICRONESIA (FEDERATED STATES OF)	–	211,006	211,006	–	–	–	–
MONACO	–	211,006	211,006	–	–	–	–
MONGOLIA	98,482	211,006	309,488	–	–	–	–
MOROCCO	4,873	633,019	637,892	–	–	–	–
MOZAMBIQUE	76,742	211,006	287,748	–	–	–	–
MYANMAR	–	211,006	211,006	–	–	–	–
NAMIBIA	–	211,006	211,006	–	–	–	–

SCHEDULE 5.3 (continued)

Member States	Assessed Contributions Unpaid as at 1 January 1994	Net Assessed Contributions 1994 and 1995	Collections During 1994 and 1995	Assessed contributions unpaid Prior years	1994	1995	Total
NEPAL	–	211,006	211,006	–	–	–	–
NETHERLANDS	–	32,525,186	32,525,186	–	–	–	–
NEW ZEALAND	–	5,064,155	5,064,155	–	–	–	–
NICARAGUA	148,765	211,006	204,363	–	46,130	109,278	155,408
NIGER	202,154	211,006	94,500	107,654	101,728	109,278	318,660
NIGERIA	2,041,023	3,783,018	5,824,041	–	–	–	–
NORWAY	–	11,605,354	11,605,354	–	–	–	–
OMAN	–	742,297	742,297	–	–	–	–
PAKISTAN	–	1,266,039	1,266,039	–	–	–	–
PANAMA	245,647	312,735	438,298	–	10,806	109,278	120,084
PAPUA NEW GUINEA	–	211,006	210,996	–	–	10	10
PARAGUAY	–	312,735	312,735	–	–	–	–
PERU	–	1,266,039	1	–	610,372	655,666	1,266,038
PHILIPPINES	–	1,367,767	1,367,767	–	–	–	–
POLAND	–	8,933,803	8,933,803	–	–	–	–
PORTUGAL	–	4,657,241	4,657,241	–	–	–	–
QATAR	255,128	945,755	982,328	–	–	218,556	218,556
REPUBLIC OF KOREA	–	15,761,500	15,761,500	–	–	–	–
REPUBLIC OF MOLDOVA	2,638,683	2,727,986	3,384,000	–	780,614	1,202,055	1,982,669
ROMANIA	2,109,052	3,368,554	4,665,502	–	–	812,104	812,104
RUSSIAN FEDERATION	43,459,468	130,329,698	173,789,166	–	–	–	–
RWANDA	98,912	211,006	–	98,912	101,728	109,278	309,918
SAINT KITTS AND NEVIS	178,872	211,006	200,000	–	80,600	109,278	189,878
SAINT LUCIA	–	211,006	211,006	–	–	–	–
SAINT VINCENT AND GRENADINES	84,393	211,006	85,909	–	100,212	109,278	209,490
SAMOA	–	211,006	211,006	–	–	–	–
SAN MARINO	–	211,006	211,006	–	–	–	–
SAO TOME AND PRINCIPE	358,718	211,006	128,700	230,018	101,728	109,278	441,024
SAUDI ARABIA	–	18,508,173	18,508,173	–	–	–	–
SENEGAL	272,366	211,006	350,092	–	24,002	109,278	133,280
SEYCHELLES	132,533	211,006	130,467	2,066	101,728	109,278	213,072
SIERRA LEONE	269,854	211,006	207,202	62,652	101,728	109,278	273,658
SINGAPORE	–	2,750,633	2,750,633	–	–	–	–
SLOVAK REPUBLIC	–	2,415,250	2,415,250	–	–	–	–
SLOVENIA	–	1,680,504	1,680,504	–	–	–	–
SOLOMON ISLANDS	283,035	211,006	290,984	–	93,779	109,278	203,057
SOMALIA	377,532	211,006	–	377,532	101,728	109,278	588,538
SOUTH AFRICA	53,229,000	7,886,320	61,115,320 b/	–	–	–	–
SPAIN	–	44,620,494	44,620,494	–	–	–	–

Member States	Assessed Contributions Unpaid as at 1 January 1994	Net Assessed Contributions 1994 and 1995	Collections During 1994 and 1995	Assessed contributions unpaid			
				Prior years	1994	1995	Total
SRI LANKA	–	211,006	211,006	–	–	–	–
SUDAN	102,051	211,006	211,032	–	–	102,026	102,026
SURINAME	242,664	211,006	242,646	18	101,728	109,278	211,024
SWAZILAND	37,765	211,006	227,819	–	–	20,952	20,952
SWEDEN	–	24,623,769	24,623,769	–	–	–	–
SYRIAN ARAB REPUBLIC	408,205	953,304	815,120	–	–	546,389	546,389
TAJIKISTAN	879,561	836,477	–	879,561	508,644	327,833	1,716,038
THAILAND	–	2,539,627	2,539,627	–	–	–	–
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	–	312,735 c/	100,000	–	103,457	109,278	212,735
TOGO	–	211,006	110,363	–	–	100,643	100,643
TRINIDAD AND TOBAGO	568,649	945,755	943,589	–	133,704	437,111	570,815
TUNISIA	–	633,019	633,019	–	–	–	–
TURKEY	2,846,676	6,496,698 d/	9,343,374	–	–	–	–
TURKMENISTAN	1,055,473	1,047,484	–	1,055,473	610,373	437,111	2,102,957
UGANDA	167,339	211,006	332,806	–	–	45,539	45,539
UKRAINE	26,082,234	35,196,368	20,180,300	5,901,934	19,023,256	16,173,112	41,098,302
UNITED ARAB EMIRATES	–	4,212,580	4,212,580	–	–	–	–
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND	–	108,657,168	108,657,168	–	–	–	–
UNITED REPUBLIC OF TANZANIA	108,653	211,006	111,321	–	99,060	109,278	208,338
UNITED STATES OF AMERICA	260,392,164	613,288,397	459,256,685	–	99,395,891	315,027,985	414,423,876
URUGUAY	–	844,026	406,915	–	–	437,111	437,111
UZBEKISTAN	4,357,310	4,721,224	4,375,310	–	2,626,946	2,076,278	4,703,224
VANUATU	200,533	211,006	186,300	14,233	101,728	109,278	225,239
VENEZUELA	5,000,505	9,355,815	10,892,488	–	–	3,463,832	3,463,832
VIET NAM	30	211,006	211,036	–	–	–	–
YEMEN	198,833	211,006	218,619	–	81,942	109,278	191,220
YUGOSLAVIA	8,187,348 e/	2,626,256 c/	–	8,187,348	1,424,201	1,202,055	10,813,604
ZAIRE	37,551	211,006	210,278	–	–	38,279	38,279
ZAMBIA	95,340	211,006	306,346	–	–	–	–
ZIMBABWE	–	211,006	211,006	–	–	–	–
TOTAL	484,295,219	2,196,481,514	2,116,739,483	29,472,417	152,744,906	381,819,929	564,037,252

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a/ The net assessment of Member States' contributions to the United Nations regular budget for 1994 and 1995 (ST/ADM/SER.B/422 and 456) is as follows:

	1994	1995	Total
Gross assessed contributions	1,198,902,550	1,260,111,940	2,459,014,490
Less: Credit from staff assessment	131,904,956	125,482,942	257,387,898
Credit from Czech Republic and Slovakia	5,145,078 f/	-	5,145,078
Net assessed contributions	1,061,852,516	1,134,628,998	2,196,481,514

b/ Includes an adjustment for South Africa in the amount of $53,881,711 pursuant to General Assembly resolution 50/83 of 15 December 1995, by which the Assembly decided to accept South Africa's request not to pay its assessed contributions for the period from 30 September 1974 to 23 June 1994.

c/ In accordance with General Assembly resolution 48/223 of 23 December 1993, the 1994 rate of assessment of the former Yugoslav Republic of Macedonia (0.02 per cent) was deducted from that of Yugoslavia.

d/ The amounts of $16,933 and $17,647 were charged against the 1994 and 1995 staff assessment credits for Turkey.

e/ In accordance with General Assembly resolution 48/223 of 23 December 1993, the beginning balance of assessed contributions receivable for Yugoslavia has been reduced by the 1993 assessment of the former Yugoslav Republic of Macedonia in the amount of $136,068.

f/ In accordance with General Assembly resolution 48/223 of 23 December 1993, the assessments of the Czech Republic and Slovak Republic were credited to all Member States in 1994.

Statement VI

UNITED NATIONS WORKING CAPITAL FUND a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	1995	1993 b/
Income		
Assessed contributions	30	20
TOTAL INCOME	30	20
Expenditure		
TOTAL EXPENDITURE	–	–
NET EXCESS OF INCOME OVER EXPENDITURE	30	20
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	100,030	100,010
RESERVES AND FUND BALANCES, END OF PERIOD	100,060	100,030

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

	1995	1993
Assets c/		
Assessed contributions receivable from member states	–	250
Due from United Nations General Fund	100,060	99,504
Advances to defray costs incurred in respect of the International Tribunal authorized by Security Council resolution 827 (1993) of 25 May 1993	–	276
TOTAL ASSETS	100,060	100,030
Reserves and fund balances		
Working capital funds	100,060	100,030
TOTAL RESERVES AND FUND BALANCES	100,060	100,030

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a/ See note 6.

b/ Comparative figures reclassified to conform to current presentation.

c/ The value of the United Nations Gift Centre inventory has been transferred to the Gift Centre inventory account (see statement V).

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS SPECIAL ACCOUNT a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	1995	1993
Income		
Interest income	10,069	7,554
Other/miscellaneous income	20	-
TOTAL INCOME	10,089	7,554
Expenditure		
TOTAL EXPENDITURE	-	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	10,089	7,554
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	144,685	137,131
RESERVES AND FUND BALANCES, END OF PERIOD	154,774	144,685

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

		1995	1993
Assets			
Cash and term deposits b/		10,000	17,000
Due from United Nations General Fund		141,446	124,349
Due from the Special Account of the United Nations Emergency Force (1956)		1,932	1,932
Due from the Ad Hoc Account for the United Nations Operation in the Congo		1,396	1,396
Other accounts receivable		-	8
TOTAL ASSETS		154,774	144,685
Reserves and fund balances			
Fund principal from contributions	(Schedule 7.1)	48,803	48,802
Cumulative surplus c/		105,971	95,883
TOTAL RESERVES AND FUND BALANCES		154,774	144,685

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a/ See note 7.

b/ Interest-bearing deposit of $10,000,000 with Mitsubishi Bank, New York, 6.00 per cent, due 1 March 1996.

c/ Net of $3,911,000, appropriated for the United Nations Emergency Force, pursuant to General Assembly resolution 2115 (XX) of 21 December 1965.

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS SPECIAL ACCOUNT

Voluntary contributions as at 31 December 1995 a/

(Thousands of United States dollars)

	1995	1993
Bulgaria	150	150
Canada	3,872	3,872
China	5,000	5,000
Denmark	988	988
Egypt	50	50
Finland	508	508
Ghana	20	20
Greece	50	50
Iceland	80	80
Italy	1,500	1,500
Jamaica	10	10
Japan	12,500 b/	12,500
Kuwait	250	250
Liberia	8	8
Mali	5	5
Malta	9	9
Nigeria	20	20
Norway	678	678
Saudi Arabia	250	250
Sweden	2,000	2,000
Togo	14	14
Tunisia	5	5
Uganda	19	19
Union of Soviet Socialist Republics	10,000	10,000
United Arab Emirates	1,000	1,000
United Kingdom of Great Britain and Northern Ireland	9,528	9,528
Yugoslavia	100	100
Zaire	100	100
Zambia	14	14
Total contributions from Governments	48,728	48,728
Public contributions	75	74
Fund Principal from contributions	48,803	48,802

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a/ Amounts received pursuant to General Assembly resolutions 2053 A (XX) of 15 December 1965 and 3049 A (XXVII) of 19 December 1972 and in response to the appeal of the Secretary-General in 1986 (see A/40/1102, para. 19). The contributions shown were received pursuant to resolution 2053A (XX), except those from China, Saudi Arabia and the United Arab Emirates, which were contributed under resolutions 2053 A (XX) and 3049 A (XXVII). Bulgaria, Togo and the Union of Soviet Socialist Republics contributed in response to the 1986 appeal of the Secretary-General.

b/ Includes $10.0 million which was received pursuant to General Assembly resolution 3049 A (XXVII) with the expectation of inducing other Member States to make voluntary contributions.

Statement VIII

TECHNICAL COOPERATION ACTIVITIES a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	United Nations	ECA	ESCAP	ECE	ECLAC	ESCWA	UNCTAD	UNCHS	Total 1995	Total 1993
Income										
Voluntary contributions	50,146	3,147	21,052	2,611	10,278	39	35,368	1,635	124,276	98,646
Funds received under inter-agency arrangements	120,945	3,977	10,896	2,341	3,926	926	17,575	54,879	215,465	344,195
Allocations from other funds	13,274	7,395	4,704	2,972	4,117	2,711	1,330	873	37,376	33,910
Interest income	2,924	299	506	87	374	8	1,720	–	5,918	4,150
Other /miscellaneous income	–	130	–	3	–	1	482	–	616	1,179
TOTAL INCOME	187,289	14,948	37,158	8,014	18,695	3,685	56,475	57,387	383,651	482,080
Expenditure										
Staff and other personnel costs	102,331	11,957	17,636	5,034	12,737	3,092	28,464	22,996	204,247	253,255
Travel	4,634	923	1,757	718	1,003	377	5,897	2,165	17,474	20,128
Contractual services	8,032	0	3,229	251	289	–	1,115	8,737	21,653	42,007
Operating expenses	6,387	39	2,336	50	656	13	1,046	4,014	14,541	21,239
Acquisitions	28,280	217	467	93	250	–	2,083	9,164	40,554	45,296
Fellowships, grants and other	18,168	399	8,407	500	1,651	186	4,181	3,862	37,354	47,874
Total project costs	167,832	13,535	33,832	6,646	16,586	3,668	42,786	50,938	335,823	429,799
Programme support costs	15,101	570	3,659	370	1,456	31	5,235	5,745	32,167	46,094
TOTAL EXPENDITURE	182,933	14,105	37,491	7,016	18,042	3,699	48,021	56,683	367,990	475,893
Excess (shortfall) of income over expenditure	4,356	843	(333)	998	653	(14)	8,454	704	15,661	6,187
Prior period adjustments	(401) b/	–	–	–	–	–	(50)	–	(451)	–
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	3,955	843	(333)	998	653	(14)	8,404	704	15,210	6,187
Transfers (to) from other funds	9,186	–	–	388	–	–	–	–	9,574 c/	2,363
Other adjustments to reserves and fund balances	(861)	–	–	52	–	–	650	–	(159)	(1,560)
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	16,323	5,305	1,533	29	3,534	142	8,926	957	36,749	29,759
RESERVES AND FUND BALANCES END OF PERIOD	28,603	6,148	1,200	1,467	4,187	128	17,980	1,661	61,374	36,749

Statement VIII

(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	United Nations	ECA	ESCAP	ECE	ECLAC	ESCWA	UNCTAD	UNCHS	Total 1995	Total 1993
Assets										
Cash and term deposits	60,261	3,669	23,516	1,495	3,617	148	21,902	1,705	116,313 d/	87,200
Voluntary contributions receivable	142	2,912	-	-	803	-	-	6,294	10,151	3,842
Inter-fund balances receivable	7,384	5,991	-	125	783	160	-	550	14,993	19,220
Receivable from funding sources	14,665	2,356	488			13	-	6,119	23,641	30,421
Due from Special Accounts for Programme Support Costs	-	-	-	-	-	-	101	-	101	-
Other accounts receivable	6,912	687	617	257	352	652	4,188	825	14,490	8,539
Deferred charges	10,462	-	24	-	-	-	176	2,488	13,150	12,849
Unspent allocations	74,975	860	2,328	2,836	2,261	439	4,221	1,121	89,041 e/	165,549
TOTAL ASSETS	174,801	16,475	26,973	4,713	7,816	1,412	30,588	19,102	281,880	327,620
Liabilities										
Contributions or payments received in advance	29,662	6,481	14,588	-	918	26	-	-	51,675	27,560
Unliquidated obligations - current year	15,892	527	2,323	176	438	47	4,093	9,769	33,265	49,162
Unliquidated obligations - future years	7,989	-	-	-	-	-	-	-	7,989	7,527
Inter-fund balances payable	-	-	245	-	-	-	1,481	-	1,726	2,682
Due to Special Accounts for Programme Support Costs	-	-	222	17	-	-	-	1,991	2,230	2,141
Other accounts payable	17,680	2,459	5,017	61	12	772	2,097	4,560	32,658	36,250
Deferred income	74,975	860	2,328	2,836	2,261	439	4,221	1,121	89,041 e/	165,549
Other liabilities	-	-	1,050	156	-	-	716	-	1,922	-
TOTAL LIABILITIES	146,198	10,327	25,773	3,246	3,629	1,284	12,608	17,441	220,506	290,871
Reserves and fund balances										
Operating reserves	-	-	-	137	-	-	-	-	137	-
Extrabudgetary funds relating to projects funded by donors	28,603	6,148	1,200	1,330	4,187	128	17,980	1,661	61,237	36,749
TOTAL RESERVES AND FUND BALANCES	28,603	6,148	1,200	1,467	4,187	128	17,980	1,661	61,374	36,749
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	174,801	16,475	26,973	4,713	7,816	1,412	30,588	19,102	281,880	327,620

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a/ See notes 2 (m) and 8.

b/ Remittance from Trust Fund of the Centre for Transnational Corporations in Geneva in 1993.

c/ Of this amount, $150,000 represents a transfer from the Belgian Associate Expert Programme to the Trust Fund for Assistance in Mine Clearance, offset by $1,174,874 transferred from the Trust Fund for Disaster Relief, $7,375,724 from the United Nations Educational and Training Programme for Southern Africa, $685,241 from the Trust Fund for South Africa, $52,000 from the Fund for Namibia, $47,372 from the Trust Fund for New and Renewable Sources of Energy, and $588,034 from the Trust Fund on the Steel Industry - Structural Changes and Development with the agreement of the donors.

d/ Includes $527,441 in non-convertible currencies. See also Note 8 (b).

e/ Comprises unspent allocations from UNDP and UNFPA, plus unspent allocations in respect of UNDP- and UNFPA-administered trust funds.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1

TECHNICAL COOPERATION ACTIVITIES

Income and expenditure and changes in reserves and fund balances by source of funding for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	Reserves and Fund Balances 1 Jan. 1994	Income and Adjustments	Project Expenditure	Programme Support costs	Total Expenditure	Reserves and Fund Balances 31 December 1995
United Nations						
Regular budget	–	13,274	13,274	–	13,274	–
Trust funds	16,323	76,237	57,366	6,591	63,957	28,603
UNFPA	–	12,920	12,056	864	12,920	–
UNDP	–	92,782	85,136	7,646	92,782	–
Total	16,323	195,213	167,832	15,101	182,933	28,603
Economic Commission for Africa (ECA)						
Regular budget	–	7,395	7,395	–	7,395	–
Trust funds	5,305	3,575	2,466	266	2,732	6,148
UNFPA	–	3,405	3,167	238	3,405	–
UNDP	–	573	507	66	573	–
Total	5,305	14,948	13,535	570	14,105	6,148
Economic and Social Commmission for Asia and the Pacific (ESCAP)						
Regular budget	–	4,704	4,704	–	4,704	–
Trust funds	1,533	23,567	21,186	2,714	23,900	1,200
UNFPA	–	4,300	3,883	417	4,300	–
UNDP	–	4,587	4,059	528	4,587	–
Total	1,533	37,158	33,832	3,659	37,491	1,200

Schedule 8.1
(continued)

	Reserves and Fund Balances 1 Jan. 1994	Income and Adjustments	Project Expenditure	Programme Support costs	Total Expenditure	Reserves and Fund Balances 31 December 1995
Economic Commission for Europe (ECE)						
Regular budget	-	2,972	2,972	-	2,972	-
Trust funds	29	3,141	1,507	196	1,703	1,467
UNFPA	-	1,778	1,671	107	1,778	-
UNDP	-	563	496	67	563	-
Total	29	8,454	6,646	370	7,016	1,467
Economic Commission for Latin America and the Caribbean (ECLAC)						
Regular budget	-	4,117	4,117	-	4,117	-
Trust funds	3,534	10,652	8,852	1,147	9,999	4,187
UNFPA	-	2,856	2,670	186	2,856	-
UNDP	-	1,070	947	123	1,070	-
Total	3,534	18,695	16,586	1,456	18,042	4,187
Economic and Social Commission for Western Asia (ESCWA)						
Regular budget	-	2,711	2,711	-	2,711	-
Trust funds	142	61	66	9	75	128
UNFPA	-	698	698	-	698	-
UNDP	-	215	193	22	215	-
Total	142	3,685	3,668	31	3,699	128

Schedule 8.1
(concluded)

	Reserves and Fund Balances 1 Jan. 1994	Income and Adjustments	Project Expenditure	Programme Support costs	Total Expenditure	Reserves and Fund Balances 31 December 1995
United Nations Conference on Trade and Development (UNCTAD)						
Regular budget	–	1,330	1,330	–	1,330	–
Trust funds	8,926	39,366	27,278	3,034	30,312	17,980
UNFPA	–	–	–	–	–	–
UNDP	–	16,379	14,178	2,201	16,379	–
Total	8,926	57,075	42,786	5,235	48,021	17,980
United Nations Centre for Human Settlements (HABITAT)						
Regular budget	–	873	873	–	873	–
Trust funds	957	9,571	8,180	687	8,867	1,661
UNFPA	–	–	–	–	–	–
UNDP	–	46,943	41,885	5,058	46,943	–
Total	957	57,387	50,938	5,745	56,683	1,661
Total						
Regular budget	–	37,376	37,376	–	37,376	–
Trust funds	36,749	166,170	126,901	14,644	141,545	61,374
UNFPA	–	25,957	24,145	1,812	25,957	–
UNDP	–	163,112	147,401	15,711	163,112	–
Grand Total	36,749	392,615	335,823	32,167	367,990	61,374

TECHNICAL CO-OPERATION ACTIVITIES FINANCED BY THE UNITED NATIONS REGULAR BUDGET a/

Expenditure for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	United Nations	ECA	ESCAP	ECE	ECLAC	ESCWA	UNCTAD	UNCHS	Total 1995	Total 1993
Regional projects										
Africa	–	7,395	–	–	–	–	–	–	7,395	4,299
Arab States	–	–	–	–	–	2,711	–	–	2,711	2,729
Asia and the Pacific	–	–	4,704	–	–	–	–	–	4,704	2,629
Europe	–	–	–	2,972	–	–	1,330	–	4,302	1,427
Latin America	–	-	–	–	4,117	–	–	–	4,117	2,641
Subtotal	–	7,395	4,704	2,972	4,117	2,711	1,330	–	23,229	13,725
Interregional projects	13,274	–	–	–	–	–	–	–	13,274	19,319
Global projects	–	–	–	–	–	–	–	873	873	866
Total	13,274	7,395	4,704	2,972	4,117	2,711	1,330	873	37,376	33,910

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a/ Comprises section 20, Regular programme of technical cooperation. These expenditures are also shown as part of regular budget expenditure in statement IV and schedule 4.1

Statement IX

UNITED NATIONS GENERAL TRUST FUNDS a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	Emergency Assistance	Political and Security Council Affairs	Political affairs, trusteeship and decolonization	Economic and social activities	Humanitarian activities	International justice and law	Public information	Common support services and miscellaneous	Total 1995	Total 1993
Income										
Voluntary contributions	42,866	16,438 b/	36,108	45,145	113,225	6,019	526	29,223	289,550	402,678
Funds received under inter–organization arrangements	2,601	–	2,582	1,764	4,883	–	420	–	12,250	31,102
Allocations from other funds	–	–	–	–	120,007	–	–	–	120,007	93,520
Income for services rendered	–	–	–	6,658	–	–	–	–	6,658	1,999
Interest income	6,570	1,813	2,031	4,197	10,903	362	363	5,361	31,600	25,366
Other/miscellaneous income	5,857	193	915	2,449	12,454	238	3,020	1,178	26,304	12,151
TOTAL INCOME	57,894	18,444	41,636	60,213	261,472	6,619	4,329	35,762	486,369	566,816
Expenditure										
Staff and other personnel costs	37,657	2,362	8,641	27,175	41,845	447	1,672	3,330	123,129	120,470
Travel	5,432	2,576	1,570	10,709	2,863	642	336	1,350	25,478	20,698
Contractual services	1,533	101	3,714	1,661	662	29	895	7,697	16,292	10,136
Operating Expenses	15,315	14,041	5,276	1,523	52,278	73	652	785	89,943	130,638
Acquisitions	5,860	2,305	3,938	1,288	8,052	14	30	255	21,742	12,469
Fellowships, grants, other c/	1,210	279	4,597	6,133	170,563	131	32	255	183,200	159,530
Total Direct Expenditure	67,007	21,664	27,736	48,489	276,263	1,336	3,617	13,672	459,784	453,941
Programme support costs	861	2,328	2,131	4,249	5,963	131	59	779	16,501 d/	11,966
TOTAL EXPENDITURE	67,868	23,992	29,867	52,738	282,226	1,467	3,676	14,451	476,285	465,907
Excess (shortfall) of income over expenditure	(9,974)	(5,548)	11,769	7,475	(20,754)	5,152	653	21,311	10,084	100,909
Prior period adjustments	(8,542) e/	(295) f/	(1,627) g/	(54)	(21,808) h/	(26)	–	–	(32,352)	(1,172)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(18,516)	(5,843)	10,142	7,421	(42,562)	5,126	653	21,311	(22,268)	99,737
Transfers(to) from other organizations	–	–	–	–	(1,075) i/	–	–	-	(1,075)	–
Transfers(to) from other funds	26,069	–	(8,113)	(733)	(28,346)	–	–	1,187	(9,936) j/	(2,363)
Distributions to agencies	–	–	–	–	–	–	–	–	–	(16,378)
Refunds to donors	(72)	–	(4,639)	(51)	(803)	–	(84)	–	(5,649)	(559)
Other adjustments to reserves and fund balances	–	–	–	–	(7,175) k/	–	–	–	(7,175)	–
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	62,089	22,939	21,341	27,467	178,952	2,176	2,086	25,405	342,455	262,018
RESERVI S AND FUND BALANCES, END OF PERIOD	69,570	17,096	18,731	34,104	98,991	7,302	2,655	47,903	296,352	342,455

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	Emergency Assistance	Political and Security Council Affairs	Political affairs, trusteeship and decolonization	Economic and social activities	Humanitarian activities	International justice and law	Public information	Common support services and miscellaneous	Total 1995	Total 1993
Assets										
Cash and term deposits	63,678	17,245	22,987	37,730	106,425	7,513	4,377	45,098	305,053	277,303
Investments	–	–	–	–	–	–	–	2,182	2,182	1,767
Voluntary contributions receivable	5,170	1,813	770	2,345	4,402	–	8	–	14,508	44,256
Inter-fund balances receivable	182	1	164	3,035	181	–	–	3	3,566	1,786
Due from special account for activities approved under Security Council resolutions 687 (1991) and 706 (1991)	–	–	–	–	–	–	–	2,500	2,500	2,500
Due from UN Operations in Somalia	–	–	–	–	–	–	–	–	–	5,000
Other accounts receivable	3,151	173	330	1,352	2,874	87	190	1,221	9,378	4,947
Operating funds provided to executing agencies c/	6,298	–	4,585	339	12,888	–	–	597	24,707	56,228
Other assets	7	–	–	993	9	–	2	47	1,058	2,471
TOTAL ASSETS	78,486	19,232	28,836	45,794	126,779	7,600	4,577	51,648	362,952	396,258
Liabilities										
Contributions or payments received in advance	–	711	294	2,130	657	–	882	359	5,033	5,699
Unliquidated obligations	2,749	316	1,133	4,078	18,650	229	181	2,674	30,010	33,771
Inter-fund balances payable	1,550	36	8,674	597	451	69	852	700	12,929	7,343
Other accounts payable	4,617	1,073	4	4,885	8,030	–	7	12	18,628	6,990
TOTAL LIABILITIES	8,916	2,136	10,105	11,690	27,788	298	1,922	3,745	66,600	53,803
Reserves and fund balances										
Operating reserves	4,840	190	–	488	436	8	170	–	6,132	5,108
Reserves for allocations	6,200	–	842	336	6,461	–	–	609	14,448	34,134
Fund principal from contributions	–	–	–	–	1,000	–	1,000	1,050	3,050	3,050
Cumulative surplus (deficit)	58,530	16,906	17,889	33,280	91,094	7,294	1,485	46,244	272,722	300,163
TOTAL RESERVES AND FUND BALANCES	69,570	17,096	18,731	34,104	98,991	7,302	2,655	47,903	296,352	342,455
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	78,486	19,232	28,836	45,794	126,779	7,600	4,577	51,648	362,952	396,258

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a/ See notes 2 (n) and 9.

b/ Does not include contribution in kind of $2,300,000 received from the United States.

c/ Reflects change in accounting treatment of operating funds provided to executing agencies. See note 9 (a).

d/ Of this amount, $15,334,903 was credited to the special accounts for programme support costs (statement XVI) and $1,166,137 was transferred directly to regional commissions and executing agencies as reimbursements for programme support costs.

e/ Represents total of prior period adjustments in the United Nations Special Relief Office in Bangladesh, the Kampuchean Emergency Trust Fund, the United Nations Afghanistan Emergency Trust Fund and the Trust Fund for the United Nations Guard Contingent.

f/ Represents 1989 expenditure of $170,180 reported by the United Nations Conference on Disarmament in 1994 under the Trust Fund for Global and Regional Activities, cancellation of a pledge of $124,207 by Italy, and cancellation of $1,000 by Sri Lanka to the Trust Fund for the World Disarmament Campaign.

g/ Represents cancellation of prior period reserves for allocations.

h/ Represents primarily the cancellation of the 1993 pledge of $20,986,722 from Italy to the Trust Fund for the Common Costs of the Bosnia and Herzegovina Command, and the adjustment of 1993 income for the Trust Fund for Disaster Relief in accordance with Switzerland's decision to transfer funds from the Department of Humanitarian Affairs to UNDP.

i/ Represents transfers of $926,000 to WFP and $148,950 to the Montenegro Toxic Waste Dam Project in Yugoslavia.

j/ Represents net transfers of $9,573,497 to technical cooperation activities and $362,901 to peace keeping activities.

k/ Represents contributions incorrectly reported as income in the biennium 1992-1993.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

UNITED NATIONS GENERAL TRUST FUNDS

Schedule of income, expenditure, reserves and fund balances for the biennium 1994 – 1995 ending 31 December 1995

(Thousands of United States dollars)

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
EMERGENCY ASSISTANCE				
Trust Fund for the International Conference on the Question of Palestine	61	11	72	–
United Nations Special Relief Office in Bangladesh	806	77	100	783
African Emergency Trust Fund	2,636	549	910	2,275
United Nations Indo – China Trust Fund	75	2	77	–
Trust Fund for Assistance to Lebanon	13	1	–	14
Special Account for Assistance to Mozambique	570	62	–	632
Funds for the Special Representative of the Secretary – General for the Co – ordination of the UN Humanitarian Programmes Resulting from Developments in Kampuchea	13	–	13	–
Kampuchea Emergency Trust Fund	5,771	553	1,460	4,864
Afghanistan Emergency Trust Fund b/	47,146	34,521	47,464	34,203
Emergency Trust Fund for Humanitarian Assistance for Iraq, Kuwait and the Iraq – Turkey and Iraq – Iran Border Areas	1,812	806	506	2,112
Trust Fund for the United Nations Guard Contingent	3,186	4,418	(2,846)	10,450
Trust Fund for Iraq – Kuwait Border Issues	–	733	37	696
Trust Fund for the Restoration of Essential Services in Sarajevo b/	–	16,161	2,620	13,541
Subtotal	62,089	57,894	50,413	69,570
POLITICAL AND SECURITY COUNCIL AFFAIRS				
United Nations Disarmament Information Programme	487	257	335	409
Trust Fund for the United Nations Centre for Disarmament	36	3	3	36
United Nations Institute for Disarmament Research	437	1,884	2,221	100
Trust Fund for the United Nations Programme on Space Applications	490	471	228	733
Trust Fund for the Promotion of Peace	82	8	4	86
United Nations Regional Centre for Peace and Disarmament in Africa	184	142	138	188
Trust Fund for the UN Regional Centre for Peace, Disarmament and Development in Latin America	56	81	81	56
Trust Fund for Global and Regional Disarmament Activities	318	264	342	240
Trust Fund for the United Nations Regional Centre for Peace and Disarmament in Asia	536	205	15	726
Special Account for the Preparatory Commission for the International Sea Bed Authority and International Tribunal for the Law of the Sea for Pioneer Investors' Application Fees	1,556	432	102	1,886
Trust Fund for Implementation of the Cotonou Accord on Liberia	18,757	4,997	18,290	5,464
Voluntary Fund to Support the Activities of the International Tribunal Established by Security Council Resolution 827 (1993)	–	6,924	3	6,921

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
Trust Fund for the Administration of the Agreement between the United Nations and Jordan in pursuance of Security Council Resolution 661 (1990)	–	2,609	2,487	122
Trust Fund to support the implementation of the Agreement on Temporary Cease-fire and the Cessation of Other Hostile Acts on the Tajik-Afghan Border and within the Country for the Duration of the Tal	–	85	38	47
Trust Fund for the Commission of Inquiry in Burundi	–	82	–	82
Subtotal	22,939	18,444	24,287	17,096
POLITICAL AFFAIRS, TRUSTEESHIP AND DECOLONIZATION				
Trust Fund for Publicity Against Apartheid	241	34	118	157
United Nations Educational and Training Programme for Southern Africa	8,553	3,115	11,668	–
United Nations Trust Fund for South Africa	2,577	240	2,817	–
United Nations Fund for Namibia	840	127	967	–
Trust Fund for the Institute for Namibia	57	223	280	–
United Nations Nationhood Programme for Namibia	5,237	574	3,703	2,108
Trust Fund for Special Projects of the Special Committee Against Apartheid	17	2	–	19
Trust Fund for the Repatriation of Cambodian Refugees and Displaced Persons	252	4	137	119
Trust Fund for Development Problems and Strengthening Peace and Security	1	–	1	–
United Nations Trust Fund for Electoral Observation	475	6,214	4,719	1,970
Trust Fund for Haiti	457	291	133	615
Trust Fund for the Implementation of the Peace Process in Mozambique	2,634	11,693	14,239	88
Trust Fund to Finance Third World Observers to the South African Elections	–	254	105	149
Trust Fund for Assistance to Register Political Parties in Mozambique	–	3,631	1,682	1,949
Trust Fund for Electoral Assistance to Haiti	–	10,401	2,255	8,146
Trust Fund for the Guatemala Peace Process	–	3,793	1,133	2,660
Trust Fund for Negotiations to find a Comprehensive Settlement of the Georgian/Abkhaz Conflict	–	707	–	707
Trust Fund for the Mission of the U.N. in El Salvador	–	333	289	44
Subtotal	21,341	41,636	44,246	18,731
ECONOMIC AND SOCIAL ACTIVITIES				
Trust Fund for Development Planning and Projections	906	334	500	740
United Nations Research Institute for Social Development	1,331	6,395	5,468	2,258
Trust Fund for Social Development	141	39	59	121
Trust Fund for Ageing	113	70	127	56
United Nations Population Fund – United Nations Work Programme	–	6,658	6,658	–
United Nations Youth Fund	159	58	22	195

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
Trust Fund for the Financing of the Implementation of the Convention on Long-Range Transboundary Air Pollution	504	3,286	2,892	898
Trust Fund for the Programme on Interrelationships between Resources, Environment, People and Development	115	12	–	127
Trust Fund to Facilitate Activities related to the Implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy	47	1	48	–
Trust Fund for the ECE Study on Long – Term European Timber Trends and Prospects	26	2	8	20
Trust Fund for ESCWA regional activities	126	41	52	115
United Nations Crime Prevention and Criminal Justice Fund b/	5,470	7,496	5,472	7,494
Trust Fund for the International Campaign Against Drug Abuse and Illicit Trafficking	522	57	–	579
United Nations Voluntary Fund on Disability	2,427	1,188	758	2,857
Trust Fund for the International Comparison Project	32	3	16	19
International Research and Training Institute for the Advancement of Women	2,357	4,088	3,546	2,899
Trust Fund for the Promotion of a United Nations International Programme for Ageing	12	1	–	13
UN/ECE Trust Fund on Human Settlements	386	128	166	348
Programme on Mobilization of Personal Savings in Developing Countries	117	29	(2)	148
Trust Fund for the Ad Hoc Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting	20	2	7	15
Trust Fund for Research in Regional Co – operation in Asia and in New and Renewable Energy Resources	223	24	0	247
World Food Council Trust Fund	3	–	3	–
Trust Fund for the Macrothesaurus Management Project	8	1	–	9
Trust Fund for International Co – operation for Development	3,060	1,486	2,926	1,620
Trust Fund for the Preparatory Activities for the Fourth World Conference on Women, 1995	1,789	4,700	4,944	1,545
Trust Fund for the Monitoring, Review and Appraisal of the Implementation of the Nairobi Forward-Looking Strategies	17	49	(6)	72
Trust Fund for Case Studies on the Functioning of the Operational Activities for Development of the UN system	38	251	137	152
Policy Analysis on Transnational Corporations	262	29	152	139
Trust Fund for the Symposia on the Consequences of Rapid Population Growth and on Human Rights and Population	13	1	–	14
Trust Fund on the Steel Industry – Structural Change and Development	385	4	389	–

Schedule 9.1
(Continued)

	Reserves and fund balances beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
Trust Fund for an Interim Arrangement for Maintaining the Collection and Dissemination of Statistical Information on the International Iron Ore Economy	42	11	53	–
Trust Fund for United Nations Electronic Data Interchange for Administration, Commerce and Transport	8	1	–	9
Voluntary Fund for Supporting Developing Countries Participating in the United Nations Conference on Environment and Development and its Preparatory Process	408	137	545	–
Trust Fund for Preparatory Activities for the United Nations Conference on Environment and Development	653	352	1,003	2
Voluntary Fund for Supporting Developing Countries Participating in the Negotiation Process for the Protection of Global Climate for the Present and Future Generations of Mankind	572	3,870	2,828	1,614
Trust Fund for the ECE Project Energy Efficiency 2000	110	450	332	228
Voluntary Fund for the International Year of the family	627	650	675	602
Trust Fund for Supporting the Negotiating Process Relating to the Protection of Global Climate for Present and Future Generations of Mankind	830	4,592	4,535	887
Trust Fund for Chernobyl	763	23	614	172
Trust Fund for the 1994 International Conference on Population and Development	363	72	323	112
Voluntary Fund for Supporting Developing Countries Participating in the 1994 International Conference on Population and Development	195	386	401	180
Trust Fund for International Economic and Social Research	459	676	391	744
Trust Fund for Assistance to Countries in Transition	143	631	476	298
Trust Fund for Supporting the Negotiating Process on the International Convention to Combat Desertification	938	3,897	3,532	1,303
Special Voluntary Fund for Supporting Developing Countries Affected by Desertification and Drought to Participate in the Negotiating Process on the International Convention to Combat Desertification	528	2,064	1,242	1,350
Trust Fund for the World Summit for Social Development	(76)	2,358	1,439	843
Voluntary Fund for Assisting Small Island Developing States and the Least Developed Countries to Participate in the Global Conference on the Sustainable Development of Small Island Developing States and its Preparatory Process	268	275	388	155
Trust Fund for the ECE Regional Preparatory Meeting for the Fourth World Conference on Women	17	192	181	28
Trust Fund for Environmental Performance Reviews and the "Environment for Europe"	10	347	166	191
Trust Fund for the Global Conference on the Sustainable Development of Small Island Developing States	–	172	147	25
Trust Fund for supporting ECE Regional Conferences and Meetings, including Preparatory Meetings for Global Conferences	–	13	–	13
Trust Fund for Support of the Work of the Commission on Sustainable Development	–	2,568	(22)	2,590

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
Trust Fund for the Support of the Activities Relating to the Implementation of the United Nations New Agenda for the Development of Africa	–	26	–	26
Trust Fund for Participation of Least Developed Countries in Intergovernmental Meetings	–	17	(15)	32
Subtotal	27,467	60,213	53,576	34,104
HUMANITARIAN ACTIVITIES				
Trust Fund for the Strengthening of the United Nations Disaster Relief Office	2,789	6,082	4,664	4,207
Committee on the Elimination of Racial Discrimination	338	17	29	326
Programme of the Decade for Action to Combat Racism and Racial Discrimination	37	183	–	220
United Nations Voluntary Fund for Victims of Torture	2,665	5,592	7,307	950
Trust Fund for the Second International Conference on Assistance to Refugees in Africa	295	8	303	–
United Nations Voluntary Fund for Indigenous Populations	868	807	799	876
Voluntary Fund for Advisory Services and Technical Assistance in the field of Human Rights	3,533	9,931	5,920	7,544
Trust Fund related to the Settlement of the Situation relating to Afghanistan	11	1	(1)	13
Trust Fund for the World Conference on Human Rights	326	266	4	588
Trust Fund for Disaster Relief b/	40,931	70,057	73,694	37,294
Trust Fund for the International Decade for Natural Disaster Reduction	1,095	4,947	4,634	1,408
Sasakawa – UNDRO Disaster Prevention Award Endowment Fund	1,031	105	67	1,069 c/
Voluntary Fund for the Cambodian Peace Process	2,403	2,196	1,618	2,981
Trust Fund for the Activities of the International Support and Verification Commission	2,747	300	–	3,047
United Nations Trust Fund for Contemporary Forms of Slavery	13	61	12	62
Trust Fund for the Human Rights Education Programme in Cambodia	624	754	489	889
Cambodia Trust Fund	2,930	200	1,554	1,576
Trust Fund for Somalia – Unified Command b/	60,377	4,555	57,182	7,750
Trust Fund fot the Common Costs of the Bosnia and Herzegovina Command	23,320	255	20,987	2,588
Trust Fund for Humanitarian Relief in Iraq b/	31,703	120,350	146,412	5,641
Trust Fund for Support of the Activities of the Centre for Human Rights	916	1,834	2,196	554
Trust Fund for Rwanda	–	7,862	1,448	6,414
Trust Fund to Facilitate the Implementation of UNOMIG's Mandate	–	5	–	5
Trust Fund for Human Rights Field Operation in Rwanda	–	8,357	9,511	(1,154)
Voluntary Trust Fund for Assistance in Mine Clearance	–	13,346	1,990	11,356
Trust Fund to Provide Goods and Services to the International Police Monitoring Programme and Other Specifically Designated Purposes in Haiti	–	3,401	614	2,787
Subtotal	178,952	261,472	341,433	98,991

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
INTERNATIONAL JUSTICE AND LAW				
Trust Fund for the United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law	386	76	35	427
United Nations Commission on International Trade Law Symposia	139	217	178	178
Seminar on International Law	59	128	99	88
Trust Fund to Assist States in the Judicial Settlement of Disputes through the International Court of Justice	683	391	1	1,073
Trust Fund for the Commission of Experts Established Pursuant to Security Council Resolution 780 (1992)	890	263	792	361
Voluntary Fund for Supporting Developing Countries Participating in the United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks	19	184	113	90
Trust Fund on Voluntary Fund to Grant Travel Assistance to Developing Countries Members of the United Nations Commmission on International Trade Law	–	2	–	2
Trust Fund for the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda	–	5,358	275	5,083
Subtotal	2,176	6,619	1,493	7,302
PUBLIC INFORMATION				
Trust Fund for Economic and Social Information	256	464	371	349
Trust Fund for the Oral History of the United Nations	28	3	–	31
Trust Fund for Taejon International Expo 1993	45	53	78	20
Trust Fund for Public Awareness on Disarmament Issues	1,634	190	292	1,532 d/
Trust Fund for Special Activities in Science and Technology for Development	73	9	8	74
Development Forum Trust Fund	(438)	3,014	2,527	49
Trust Fund for Expanding Public Information Activities in Japan	89	297	224	162
Trust Fund for Information Support for African Economic Recovery and Development	267	259	177	349
Trust Fund for Jointly Financed Information Projects	132	40	83	89
Subtotal	2,086	4,329	3,760	2,655
COMMON SUPPORT SERVICES AND MISCELLANEOUS				
Trust Fund for Assistance in the Training of United Nations Staff in the French Language	133	23	20	136
Meditation Room Gifts from New York City	6	1	–	7
Sculpture in Memory of Hammarskjold, Grant by Blaustein Foundation	9	1	–	10
Trust Fund for German Language Translation	(2)	2,310	1,947	361
Library Endowment Fund	2,044	517	116	2,445 e/
Personal and Real Property Willed to the United Nations	3,355	559	224	3,690
Hamish Brown Fellowship Fund	29	3	–	32

Schedule 9.1
(Continued)

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
The Special (Ralph Bunche) Account for the Secretary-General for Purposes Related to Peace and Security	310	157	164	303
United Nations Philatelic Museum	379	107	201	285
International School Fund	65	11	76	-
Trust Fund for Gilberto Amado Memorial Lecture	4	-	-	4
Trust Fund for Interest on the Contribution to the United Nations Special Account	6,250	2,069	2,069	6,250
Trust Fund for the Restoration and Maintenance of the Peace Bell	12	1	(1)	14
Trust Fund for Staff Health Promotion	19	5	5	19
Trust Fund for the Myrdal Lectures	4	-	(1)	5
Trust Fund in Support of United Nations Peace-making and Peace-keeping Activities	12,216	12,578	28	24,766
United Nations Trust Fund for Training for UNTAG	65	7	1	71
Trust Fund for the Co-ordinated Procurement of the United Nations System	101	15	-	116
Trust Fund for Peace-making Activities of the Secretary-General	151	206	112	245
Trust Fund for Assistance with Field Mission Transport Management	(11)	-	-	(11)
Secretariat News Trust Fund	103	89	100	92
Trust Fund for the Commission on the Truth for El Salvador	22	168	(8)	198
Trust Fund for Activities related to Administrative and Budgetary aspects of Peace-keeping Operations	41	5	-	46
Trust Fund for the 50th Anniversary Celebrations	100	10,735	8,018	2,817
Trust Fund for Assistance to the Office of the Special Representative of the Secretary-General for the Former Yugoslavia	-	612	(564)	1,176
Trust Fund for the Ad Hoc Intergovernmental Group of Experts in the Legal and Financial Field	-	91	86	5
Trust Fund on Cooperation between the United Nations and Switzerland in the Field of Archives	-	140	62	78
Trust Fund for Demining Activities in UNPROFOR	-	3,421	119	3,302
Trust Fund for the Fiftieth Anniversary Activities of the Secretary-General	-	524	91	433
Trust Fund for Assistance to the Special Representative of the Secretary-General for Burundi in support of Peace-keeping	-	793	365	428
Trust Fund to Support the Study of the Scale of Assessments for the Apportionment of the Expenses of the United Nations	-	4	-	4
Trust Fund for Support from Governments and Organizations to the Department of Peace-keeping Operations Lessons - Learned Mechanism	-	101	-	101
Trust Fund for the Financing of a United Nations International Conference on Medical Support for Peace-keeping Operations	-	177	-	177

	Reserves and fund balances, beginning of period	Income	Expenditure a/	Reserves and fund balances, end of period
Trust Fund for the Open-ended High-level Working Group of the General Assembly on the Strengthening of the United Nations System	-	155	34	121
Special Trust Fund for the Core Administrative Budget of the United Nations Framework Convention on Climate Control	-	177	-	177
Subtotal	25,405	35,762	13,264	47,903
Total (Statement IX)	342,455	486,369	532,472	296,352

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a/ Includes:		
	Expenditure	476,285
	Prior periods' adjustments	32,352
	Refunds to donors	5,649
	Transfers to other organizations	1,075 f/
	Other adjustments to reserves and fund balance	7,175
	Transfers to other funds	9,936 g/
	Total	532,472

b/ For further details, see Schedule 9.1.1.

c/ Includes permanent endowment of $1,000,000.

d/ Includes permanent endowment of $1,000,000.

e/ Includes permanent endowment of $1,049,588

f/ Represents transfers of $926,000 to WFP and $148,950 to the Montenegro Toxic Waste Dam Project in Yugoslavia

g/ Represents net transfers of $9,573,497 to Technical Co-operation Activities and $362,901 to Peace-keeping Activities.

Schedule 9.1.1

UNITED NATIONS GENERAL TRUST FUNDS – SELECTED TRUST FUNDS

Income and expenditure and changes in reserves and fund balances
for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	Afghanistan Emergency Trust Fund	Trust Fund for the Restoration of Essential Public Services in Sarajevo	UN Crime Prevention and Criminal Justice Fund	Trust Fund for Disaster Relief	Trust Fund for Somalia – Unified Command	Trust Fund for Humanitarian Relief in Iraq
Income						
Voluntary contributions	24,127 a/	15,076	5,958	54,939	2,785	–
Funds received under inter – organization arrangements	2,602	–	93	165	–	–
Allocations from other funds	–	–	–	–	–	120,007 b/
Interest income	3,840	712	1,128	5,383	1,758	342
Other/miscellaneous income	3,953	374	318	9,570	11	1
TOTAL INCOME	34,522	16,162	7,497	70,057	4,554	120,350
Expenditure						
Staff and other personnel costs	16,455	27	3,831	11,765	12,325	272
Travel	2,933	–	243	853	33	13
Contractual services	1,519	1	193	107	16	262
Operating expenses	9,202	2,211	241	2,906	42,575	4,861
Acquisitions	4,658	49	33	1,279	1,780	1,006
Fellowships, grants, other	624	163	756	45,182	111	115,232 c/
Total Direct Expenditure	35,391	2,451	5,297	62,092	56,840	121,646
Programme support costs	669	170	151	1,863	28	–
TOTAL EXPENDITURE	36,060	2,621	5,448	63,955	56,868	121,646
Excess (shortfall) of income over expenditure	(1,538)	13,541	2,049	6,102	(52,314)	(1,296)
Prior period adjustments	(12,405) d/	–	–	(799) e/	–	–
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(13,943)	13,541	2,049	5,303	(52,314)	(1,296)
Transfers (to) from other organizations	–	–	–	(1,075)	–	–
Transfers (to) from other funds	1,000	–	–	(120)	(103)	(24,766)
Other adjustments to reserves and fund balances	–	–	–	(7,175) f/	–	–
Refunds to donors	–	–	(24)	(570)	(210)	
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	47,146	–	5,470	40,931	60,377	31,703
RESERVES AND FUND BALANCES, END OF PERIOD	34,203	13,541	7,495	37,294	7,750	5,641

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	Afghanistan Emergency Trust Fund	Trust Fund for the Restoration of Essential Public Services in Sarajevo	UN Crime Prevention and Criminal Justice Fund	Trust Fund for Disaster Relief	Trust Fund for Somalia – Unified Command	Trust Fund for Humanitarian Relief in Iraq
Assets						
Cash and term deposits	30,849	11,688	8,867	38,747	8,718	7,248
Pledged contributions receivable	15	3,615	63	2,588	–	–
Inter – fund balances receivable	104	77	3,023	–	–	1
Due from special account for activities approved under Security Council resolutions 687 (1991) and 706 (1991)	–	–	–	–	–	–
Other accounts receivable	237	2,634	299	1,898	107	20
Other assets	–	3	–	–	–	–
Operating funds provided to executing agencies	3,816	–	–	6,651	–	– c/
TOTAL ASSETS	35,021	18,017	12,252	49,884	8,825	7,269
Liabilities						
Contributions or payments received in advance	–	–	47	–	–	–
Unliquidated obligations	333	687	65	9,809	1,075	1,628
Inter – fund balances payable	–	–	–	89	–	–
Other accounts payable	485	3,789	4,645	2,692	–	–
TOTAL LIABILITIES	818	4,476	4,757	12,590	1,075	1,628
Reserves and fund balances						
Operating reserves	377	–	–	–	–	–
Reserves for allocations	4,541	–	–	–	–	–
Cumulative surplus (deficit)	29,285	13,541	7,495	37,294	7,750	5,641
TOTAL RESERVES AND FUND BALANCES	34,203	13,541	7,495	37,294	7,750	5,641
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	35,021	18,017	12,252	49,884	8,825	7,269

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a/ Figures shown are for cash contributions only. Contributions in kind received had an estimated value of $354,241. The balance of all contributions in kind pledged but not received as at 31 December 1995 had an estimated value of $756,519.

b/ Represents funds received from the United Nations escrow account established under the provisions of Security Council resolutions 706 (1991) and 778 (1992).

c/ Reflects change in accounting treatment of operating funds provided to executing agencies. See note 9 (a).

d/ Includes a cancellation of a 1993 pledge from the United States for $3,600,000 and prior-period adjustments to 1989 income of $8,800,000 related to allocations as follows: International Committee of the Red Cross, $1,000,000, International Organization for Migration, $800,000, and UNHCR fund-raising service, $7,000,000.

e/ Represents transfer of 1993 income from the Department of Humanitarian Affairs to UNDP.

f/ Represents contributions incorrectly recorded as income in the 1992-1993 biennium.

Schedule 9.1.2

UNITED NATIONS GENERAL TRUST FUNDS – SELECTED TRUST FUNDS

Voluntary contributions as at 31 December 1995

(Thousands of United States dollars)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
Afghanistan Emergency Trust Fund						
Australia	–	561	–	581	(20)	–
Austria	–	476	–	476	–	–
Cambodia	–	10	–	10	–	–
Canada	–	946	–	930	16	–
Cyprus	–	20	–	20	–	–
Denmark	–	2,258	–	2,250	8	–
Finland	516	923	–	1,404	35	–
France	–	37	–	37	–	–
Germany	–	375	–	374	1	–
Greece	–	31	–	31	–	–
Holy See	–	15	–	–	–	15
Netherlands	–	1,695	–	1,660	35	–
New Zealand	27	–	–	27	–	–
Norway	–	1,662	–	1,698	(36)	–
Portugal	–	10	–	10	–	–
Sweden	–	4,345	–	4,578	(233)	–
Switzerland	–	354	–	345	9	–
United Kingdom	–	3,117	–	3,120	(3)	–
United States	3,600	3,691 a/	–	7,291	–	–
Subtotal	4,143	20,526	–	24,842	(188)	15
Public donations						
Other	–	1	–	1	–	–
Subtotal	–	1	–	1	–	–
TOTAL	4,143	20,527	–	24,843	(188)	15

Schedule 9.1.2
(continued)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
Trust Fund for the Restoration of Essential Public Services in Sarajevo						
Austria	–	450	–	463	(13)	–
Belgium	–	1,000	–	–	–	1,000
Canada	–	357	–	356	1	–
Indonesia	–	30	–	30	–	–
Ireland	–	78	–	78	–	–
Italy	–	2,560	–	2,560	–	–
Japan	–	1,020	–	1,020	–	–
Malaysia	–	1,050	–	1,050	–	–
Netherlands	–	513	–	513	–	–
Norway	–	468	–	468	–	–
Pakistan	–	50	–	–	–	50
Portugal	–	126	–	126	–	–
Qatar	–	690	–	690	–	–
Sweden	–	2,100	–	–	(362)	2,462
Spain	–	814	–	814	–	–
Republic of Korea	–	100	–	100	–	–
United Kingdom	–	2,611	–	2,611	–	–
United States	–	1,000	–	897	–	103
Subtotal	–	15,017	–	11,776	(374)	3,615
Public donations						
Council of Dutch Local Transport Companies	–	59	–	59	–	–
Subtotal	–	59	–	59	–	–
TOTAL	–	15,076	–	11,835	(374)	3,615

Schedule 9.1.2
(continued)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
UN Crime Prevention and Criminal Justice Fund						
Australia	–	144	–	144	–	–
Austria	–	30	–	30	–	–
Belgium	2	–	–	2	–	–
Brazil	–	30	15	30	–	15
Canada	–	20	–	20	–	–
Egypt	–	306	–	306	–	–
France	–	176	–	176	–	–
Germany	–	6	3	7	–	2
Hungary	1	–	–	1	–	–
India	–	9	–	9	–	–
Italy	–	4,700	–	4,700	–	–
Malta	–	8	–	8	–	–
Netherlands	–	218	–	218	–	–
Panama	–	1	1	–	–	2
Philippines	–	1	1	–	–	2
Republic of Korea	–	45	15	30	–	30
Slovenia	–	–	1	–	–	1
Spain	–	14	–	14	–	–
Sri Lanka	–	1	–	1	–	–
Switzerland	2	58	–	58	2	–
Sweden	–	34	–	34	–	–
Tunisia	–	–	1	–	–	1
Turkey	–	–	10	–	–	10
Zimbabwe	–	1	–	1	–	–
Subtotal	5	5,802	47	5,789	2	63

Schedule 9.1.2
(continued)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
Public donations						
Bonifico Su Istruzioni Di Bankitalia	–	143	–	143	–	–
Others	–	13	–	13	–	–
Subtotal	–	156	–	156	–	–
TOTAL	5	5,958	47	5,945	2	63
Trust Fund for Disaster Relief						
Andorra	–	100	–	100	–	–
Australia	–	838	–	842	(4)	–
Austria	–	480	–	485	(5)	–
Canada	–	2,142	–	2,112	30	–
Cyprus	–	43	–	43	–	–
Denmark	–	1,531	–	803	7	721
Finland	–	23	–	23	–	–
Germany	–	345	–	344	1	–
Greece	–	52	–	52	–	–
Grenada	–	1	–	1	–	–
Indonesia	–	25	–	25	–	–
Italy	149	15,271 b/	–	15,511	(91)	–
Jamaica	–	15	–	15	–	–
Japan	–	301	–	301	–	–
Korea, Rep. of	–	170	–	170	–	–
Liechtenstein	–	88	–	88	–	–

Schedule 9.1.2
(continued)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
Luxembourg	–	777	–	792	(15)	–
Malaysia	–	100	–	100	–	–
Mauritania	–	35	–	35	–	–
Mauritius	–	1	–	1	–	–
Micronesia	–	2	–	2	–	–
Namibia	–	2	–	2	–	–
Netherlands	–	867	–	711	(3)	159
New Zealand	–	300	–	286	14	–
Norway	–	9,437	–	7,802	3	1,632
Philippines	–	2	–	2	–	–
Russian Federation	–	20	–	20	–	–
Saudia Arabia	–	10	–	10	–	–
Sweden	–	4,479	–	4,566	(87)	–
Switzerland	–	2,286	–	2,222	(12)	76
Thailand	–	80	–	80	–	–
Trust Territory of the Pacific Islands	–	2	–	2	–	–
Turkey	–	10	–	10	–	–
United Kingdom	–	10,816	–	10,841	(25)	–
United States	–	3,625	–	3,625	–	–
Subtotal	149	54,276	–	52,024	(187)	2,588
Public donations						
Other	–	514	–	514	–	–
Subtotal	–	514	–	514	–	–
TOTAL	149	54,790	–	52,538	(187)	2,588

Schedule 9.1.2
(concluded)

Countries/Trust Funds	Unpaid pledges as at 1 January 1994	Add: pledges for 1994–1995 and adjustments of prior pledges	Add: pledges for future years	Less: collections 1994 and 1995	Less: loss (gain) on exchange	Unpaid pledges as at 31 December 1995
Trust Fund for Somalia – Unified Command						
Denmark	–	500	–	500	–	–
Ireland	–	11	–	11	–	–
Netherlands	–	532	–	543	(11)	–
Sweden	–	1,705	–	1,705	–	–
United Kingdom	–	37	–	37	–	–
United States	2,000	–	–	2,000	–	–
TOTAL	2,000	2,785	–	4,796	(11)	–

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a/ Includes cancellation of 1993 pledge of $3,600,000.
b/ Includes cancellation of 1993 pledge of $148,959.

Statement X

UNITED NATIONS ESCROW ACCOUNT ESTABLISHED UNDER THE PROVISIONS OF SECURITY COUNCIL RESOLUTIONS 706 (1991) AND 778 (1992) a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

		1995	1993
Income			
Interest income		3,138	1,231
Other miscellaneous income		30	–
Imputed interest income – oil sale proceeds b/		–	2,384
TOTAL INCOME		3,168	3,615
Expenditure			
Allocations to the United Nations Trust Fund for Humanitarian Relief in Iraq	(Schedule 9.1.1)	120,007	93,520
Allocations to the Special Account for the United Nations Compensation Commission	(Statement XI)	25,443	38,367
Allocations to the Special Account for Activities Approved Under Security Council Resolutions 687 (1991) and 706 (1991)	(Statement XII)	42,654	51,511
Interest expense b/		26,611	3,615
Administrative and miscellaneous expense		141	4
TOTAL EXPENDITURE		214,856	187,017
Excess (shortfall) of income over expenditure		(211,688)	(183,402)
Prior period adjustments c/		(2,384)	–
NET (SHORTFALL) OF INCOME OVER EXPENDITURE		(214,072)	(183,402)
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD		(183,402)	–
RESERVES AND FUND BALANCES, END OF PERIOD		(397,474)	(183,402)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	1995	1993
Assets		
Cash and term deposits	47,620	39,655
Due from United Nations General Fund	2,489	–
Imputed interest receivable – oil sale proceeds b/	–	2,384
Accounts receivable	321	166
TOTAL ASSETS	50,430	42,205
Liabilities		
Frozen asset transfers and contributions payable d/	417,677	221,992
Accrued interest payable c/	30,227	3,615
TOTAL LIABILITIES	447,904	225,607
Reserves and fund balances		
Cumulative surplus (deficit)	(397,474)	(183,402)
TOTAL RESERVES AND FUND BALANCES	(397,474)	(183,402)
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	50,430	42,205

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a/ See note 10.

b/ Reflects a change in the accounting treatment of imputed interest income. See note 10 (d).

c/ Imputed interest due to the transferors and contributors of funds to the Escrow Account. The interest rate used for the computation is equal to the bank rate for actual interest earned on cash balances.

d/ See note 10 (c).

The accompanying notes are an integral part of the financial statements.

Statement XI

UNITED NATIONS COMPENSATION COMMISSION a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	1995	1993
Income		
Allocations from other funds b/	25,443	38,366
Interest income	2,832	638
Miscellaneous income	8	15
TOTAL INCOME	28,283	39,019
Expenditure		
Staff and other personnel costs	18,615	8,802
Travel	48	116
Contractual services	989	712
Operating expenses	3,145	895
Acquisitions	5,991	501
Compensation awards c/	13,450	–
Other expenditures	634	–
TOTAL EXPENDITURE	42,872	11,026
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(14,589)	27,993
Savings on, or cancellation of, prior periods' obligations	599	–
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	27,521	(472)
RESERVES AND FUND BALANCES, END OF PERIOD	13,531	27,521

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

	1995	1993
Assets		
Cash and term deposits	23,741	30,313
Other accounts receivable	12	9
Deferred charges	28	–
TOTAL ASSETS	23,781	30,322
Liabilities c/		
Unliquidated obligations	5,920	1,282
Inter-fund balances payable	4,330	1,519
TOTAL LIABILITIES	10,250	2,801
Reserves and fund balances		
Cumulative surplus	13,531	27,521
TOTAL RESERVES AND FUND BALANCES	13,531	27,521
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	23,781	30,322

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a/ See note 11.

b/ From United Nations escrow account established under the provisions of Security Council resolutions 706 (1991) and 778 (1992).

c/ The figures shown do not include a significant amount of compensation claims, which have been approved by the Governing Council but not yet paid due to lack of funding. For additional details, see decisions made by the Governing Council reflected in the following documents: S/AC.26/Dec.22 of 20 October 1994, S/AC.26/Dec.25 of 19 December 1994, S/AC.26/Dec.28 of 22 March 1995, S/AC.26/Dec.29 of 17 May 1995, S/AC.26/Dec.31 of 12 October 1995 and S/AC.26/Dec.33 of 13 December 1995.

The accompanying notes are an integral part of the financial statements.

Statement XII

SPECIAL ACCOUNT FOR ACTIVITIES APPROVED UNDER SECURITY COUNCIL RESOLUTIONS 687 (1991) AND 706 (1991): OTHER ACTIVITIES a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	Activities of the Special Commission	Demarcation of boundary between Iraq and Kuwait	Return of Kuwaiti property	Consultations on Iraqi oil sales and miscellaneous	Total 1995	Total 1993
Income						
Voluntary contributions	500 b/	–	–	–	500	175
Allocations from other funds c/	41,561	22	1,071		42,654	51,511
Interest income	55	–	–	–	55	15
Other/miscellaneous income	46	–	–	–	46	2,325 d/
TOTAL INCOME	42,162	22	1,071	–	43,255	54,026
Expenditure						
Staff and other personnel costs	15,077	33	723	–	15,833	7,105
Travel	10,136	3	147	–	10,286	22,693
Contractual Services	13,175	–	–	–	13,175	22
Operating expenses	2,187	8	201	–	2,396	20,754
Acquisitions	621	–	–	–	621	654
Other expenditures	1,659	–	–	–	1,659	–
TOTAL EXPENDITURE	42,855	44	1,071	–	43,970	51,228
Excess (shortfall) of income over expenditure	(693)	(22)	–	–	(715)	2,798
Prior period adjustments e/	113	354	77	37	581	637
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(580)	332	77	37	(134)	3,435
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	(5,044)	(1,291)	(108)	(50)	(6,493)	(9,928)
RESERVES AND FUND BALANCES, END OF PERIOD	(5,624)	(959)	(31)	(13)	(6,627)	(6,493)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	Activities of the Special Commission	Demarcation of boundary between Iraq and Kuwait	Return of Kuwaiti property	Consultations on Iraqi oil sales and miscellaneous	Total 1995	Total 1993
Assets						
Cash and term deposits	176	-	-	-	176	501
Other assets	238	-	-	-	238	421
TOTAL ASSETS	414	-	-	-	414	922
Liabilities						
Unliquidated obligations	424	-	3	-	427	1,145
Inter-fund balances payable	474	959	28	13	1,474	1,182
Due to Trust Fund in Support of United Nations Peace-making and Peace-keeping Activities	2,500	-	-	-	2,500	2,500
Accounts payable - Member States	2,000	-	-	-	2,000	2,000
Other accounts payable	640	-	-	-	640	588
TOTAL LIABILITIES	6,038	959	31	13	7,041	7,415
Reserves and fund balances						
Cumulative surplus (deficit)	(5,624)	(959)	(31)	(13)	(6,627)	(6,493)
TOTAL RESERVES AND FUND BALANCES	(5,624)	(959)	(31)	(13)	(6,627)	(6,493)
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	414	-	-	-	414	922

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a/ See note 12.

b/ Received from Qatar.

c/ From the United Nations escrow account established under the provisions of Security Council resolutions 706 (1991) and 778 (1992).

d/ $2,313,000.00 was received from Kuwait towards its 50 per cent share of the costs of the United Nations Iraq-Kuwait Boundary Commission.

e/ Represents savings on unliquidated obligations of 1991 and 1993 and interest earned in 1993.

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS CENTRAL EMERGENCY REVOLVING FUND a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	1995	1993
Income		
Voluntary contributions	440	48,778
Interest income	2,946	1,187
TOTAL INCOME	3,386	49,965
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	49,965	–
RESERVES AND FUND BALANCES, END OF PERIOD	53,351	49,965

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

		1995	1993
Assets			
Cash and term deposits		39,924	10,343
Advances receivable	(Schedule 13.1)	13,394	39,601
Accrued interest receivable		71	21
TOTAL ASSETS		53,389	49,965
Liabilities			
Accounts Payable		23	–
Advances from member states		10	–
Inter–fund balances payable		5	–
TOTAL LIABILITIES		38	–
Reserves and fund balances			
Fund principal from contributions	(Schedule 13.2)	49,217	48,778
Cumulative surplus		4,134	1,187
TOTAL RESERVES AND FUND BALANCES		53,351	49,965
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		53,389	49,965

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a/ See note 13.

The accompanying notes are an integral part of the financial statements.

Schedule 13.1

UNITED NATIONS CENTRAL EMERGENCY REVOLVING FUND

Advances receivable as at 31 December 1995

(Thousands of United States dollars)

Operational Organization	Project	Amount Outstanding 1 January 1994	Amount Advanced 1994–1995	Amount Reimbursed 1994–1995	Amount Outstanding 31 December 1995
Department of Humanitarian Affairs	Burundi	–	110	–	110
	Rwanda/Burundi	–	200	–	200
	Rwanda	–	2,000	–	2,000
	West Africa	–	1,763	–	1,763
FAO	Sudan	–	200	200	–
IOM	Zaire	–	1,000	650	350
UCAH	Angola	–	480	480	–
UNCHR	Rwanda	–	3,000	–	3,000
UNCHS	Lebanon	5,000	–	1,693	3,307
	Somalia	41	–	41	–
UNDP	Kenya	–	500	500	–
UNHCR	Burundi	5,000	–	5,000	–
	Rwanda	–	10,000	10,000	–
	Tajikistan	3,000	3,000	6,000	–
UNICEF	Angola	–	1,500	1,500	–
	Haiti	1,000	–	1,000	–
	Iraq	7,000	930	7,930	–
	Mozambique	2,000	–	2,000	–
	Rwanda	–	3,000	3,000	–
	Somalia	–	4,870	4,870	–
	Sudan	–	4,000	4,000	–
	Yugoslavia	–	1,000	1,000	–
UNREO	Rwanda	–	400	200	200
WFP	Burundi	5,000	–	5,000	–
	Iraq	4,000	–	4,000	–
	Lebanon	560	–	560	–
	Rwanda	–	10,000	10,000	–
	Tajikistan	4,500	–	2,036	2,464
WHO	Yugoslavia	2,500	2,500	5,000	–
TOTAL		39,601	50,453	76,660	13,394

Schedule 13.2

UNITED NATIONS CENTRAL EMERGENCY REVOLVING FUND

Voluntary contributions as at 31 December 1995

(Thousands of United States dollars)

Donors	1995	1993
Algeria	20	–
Australia	744	744
Austria	500	500
Belgium	327	327
Canada	2,195	2,195
Colombia	10	10
Denmark	2,000	2,000
Finland	1,534	1,534
France	5,480	5,480
Germany	5,000	5,000
Holy See	70	50
Iceland	10	10
Ireland	100	100
Italy	4,284	4,284
Japan	5,000	5,000
Korea, Republic of	50	50
Libyan Arab Jamahiriya	5	5
Liechtenstein	7	7
Luxembourg	100	100
Malaysia	20	20
Mauritius	10	10
Monaco	40	–
Namibia	1	–
Netherlands	3,083	3,083
New Zealand	137	137
Norway	1,850	1,850
Philippines	20	–
Russian Federation	250	–
Spain	760	672
Sweden	2,409	2,409
Switzerland	2,000	2,000
United Kingdom	5,000	5,000
United States	6,200	6,200
Other	1	1
TOTAL	49,217	48,778

Statement XIV

INTERNATIONAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF THE FORMER YUGOSLAVIA a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994 – 1995 ending 31 December 1995

(Thousands of United States dollars)

	1995
Income	
Assessed contributions b/	21,996
Allocations from other funds c/	21,996
Voluntary contributions d/	153
Interest income	70
Other/miscellaneous income	27
TOTAL INCOME	44,242
Expenditure	
Staff and other personnel costs	20,237
Travel	3,018
Contractual services	5,164
Operating expenses	6,494
Acquisitions	3,415
TOTAL EXPENDITURE	38,328
Excess (shortfall) of income over expenditure	5,914
Prior period adjustments	(276)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	5,638
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	–
RESERVES AND FUND BALANCES, END OF PERIOD	5,638

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

	1995
Assets	
Cash and term deposits	8,696
Assessed contributions receivable from Member States b/	4,007
Other accounts receivable	1,431
Deferred charges	418
TOTAL ASSETS	14,552
Liabilities	
Unliquidated obligations	5,474
Inter – fund balances payable	3,440
TOTAL LIABILITIES	8,914
Reserves and fund balances	
Cumulative surplus	5,638
TOTAL RESERVES AND FUND BALANCES	5,638
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	14,552

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a/ See note 14.

b/ Includes assessed contributions unpaid irrespective of collectibility.

c/ Under the terms of General Assembly resolution 49/242 B, of 20 July 1995, Member States were asked to waive their respective shares in the credits arising from previous budgets of the United Nations Protection Force in the total amount of $21,995,800 to be transferred to the special account established for the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia.

d/ Voluntary contribution from the Netherlands (DFl 267,340.00).

The accompanying notes are an integral part of the financial statements.

Statement XV

INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA [a]

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	1995
Income	
Assessed contributions	6,734
Allocations from other funds [b]	6,734
Interest income	5
Other/miscellaneous income	31
TOTAL INCOME	13,504
Expenditure	
Staff and other personnel costs	1,502
Travel	684
Contractual services	39
Operating expenses	89
Acquisitions	21
TOTAL EXPENDITURE	2,335
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	11,169
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	–
RESERVES AND FUND BALANCES, END OF PERIOD	11,169

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

	1995
Assets	
Cash and term deposits	11,967
Assessed contributions receivable from Member States	1,205
Other accounts receivable	56
Deferred charges	106
TOTAL ASSETS	13,334
Liabilities	
Unliquidated obligations	614
Inter–fund balances payable	1,495
Other accounts payable	56
TOTAL LIABILITIES	2,165
Reserves and fund balances	
Cumulative surplus (deficit)	11,169
TOTAL RESERVES AND FUND BALANCES	11,169
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	13,334

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[a] See note 15.

[b] Under the terms of General Assembly resolution 49/251 of 20 July 1995, Member States waived their respective shares in the credits arising from previous budgets of the United Nations Assistance Mission for Rwanda in the total amount of $6,733,650 to be transferred to the Special Account for the International Tribunal for Rwanda from the Special Account for the United Nations Assistance Mission in Rwanda.

The accompanying notes are an integral part of the financial statements.

SPECIAL ACCOUNTS FOR PROGRAMME SUPPORT COSTS a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	Support of technical co–operation activities	Support of extrabudgetary administrative structures New York	Support of extrabudgetary administrative structures Geneva	Support of extrabudgetary substantive activities	Total 1995	Total 1993 b/
Income						
Income for services rendered to:						
UNDP/UNFPA	24,852	7,525	-	-	32,377	45,941
Technical co–operation trust funds	14,106	-	-	-	14,106	12,542
Associated agency projects	4,000	-	-	-	4,000	2,871
General trust funds and Special Accounts	8	324	5,222 c/	10,539	16,093	11,210
ITC	-	-	703	-	703	906
UNCTAD	-	-	476	-	476	388
UNEP	-	-	738	-	738	510
UNHCR	-	-	5,740	-	5,740	3,201
UNICEF	-	4,814	978	-	5,792	5,469
WFP	-	44	-	-	44	1,286
IFAD	-	776	-	-	776	611
Other	-	187	1,567	-	1,754	1,117
Subtotal	42,966	13,670	15,424	10,539	82,599	86,052
Interest income	859	208	777	884	2,728	2,867
Other/miscellaneous income	1,114	2,088	3,463	697	7,362	3,398
TOTAL INCOME	44,939	15,966	19,664	12,120	92,689	92,317
Expenditure						
Staff and other personnel costs	50,905	17,592	17,441	5,275	91,213	89,940
Travel	738	76	1	25	840	1,701
Contractual services	429	138	815	41	1,423	1,142
Operating expenses	3,764	65	396	333	4,558	4,818
Acquisitions	68	-	204	34	306	1,500
Fellowships, grants, other	1,094	533	800	3,288	5,715	2,553
TOTAL EXPENDITURE	56,998	18,404	19,657	8,996	104,055	101,654
Excess (shortfall) of income over expenditure	(12,059)	(2,438)	7	3,124	(11,366)	(9,337)
Prior period adjustments	(344) d/	(1,807) e/	(273) f/	(128) g/	(2,552)	108
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(12,403)	(4,245)	(266)	2,996	(13,918)	(9,229)
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	16,884	5,332	8,944	4,634	35,794	45,025
RESERVES AND FUND BALANCES, END OF PERIOD	4,481	1,087	8,678	7,630	21,876	35,796

Statement XVI
(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	Support of technical co-operation activities	Support of extrabudgetary administrative structures New York	Support of extrabudgetary administrative structures Geneva	Support of extrabudgetary substantive activities	Total 1995	Total 1993 b/
Assets						
Cash	6,356	1,583	8,676	11,033	27,648	36,123
Inter-fund balances receivable	584	235	4	-	823	1,235
Due from technical co-operation activities	2,230	-	-	-	2,230	2,140
Other accounts receivable	1,538	9,586	117	198	11,439	9,545
Other assets	230	28	-	25	283	199
TOTAL ASSETS	10,938	11,432	8,797	11,256	42,423	49,242
Liabilities						
Unliquidated obligations	1,345	138	102	342	1,927	1,616
Inter-fund balances payable	3,523	10,179	-	3,275	16,977	11,421
Due to technical co-operation activities	101	-	-	-	101	-
Other accounts payable	1,230	28	17	9	1,284	362
Other liabilities	258	-	-	-	258	47
TOTAL LIABILITIES	6,457	10,345	119	3,626	20,547	13,446
Reserves and fund balances						
Operating reserves	2,388	2,000	2,187	1,100	7,675	10,132
Cumulative surplus (deficit)	2,093	(913)	6,491	6,530	14,201	25,664
TOTAL RESERVES AND FUND BALANCES	4,481	1,087	8,678	7,630	21,876	35,796
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	10,938	11,432	8,797	11,256	42,423	49,242

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a/ See note 16.

b/ Comparative figures adjusted to conform to current presentation. The special account for programme support cost of peacekeeping operations is now reflected as statement XLV in volume II of the United Nations financial statements.

c/ Includes income of $551,000 from the United Nations Compensation Commission and $323,123 from the United Nations Research Institute for Social Development.

d/ Represents adjustments to 1993 administrative and operational support costs for projects executed by the United Nations Research Institute for Social Development, and 1992-1993 programme support costs for UNDP/UNFPA, ECA and UNCTAD.

e/ Represents the difference between the amount originally charged to UNDP/UNFPA/UNICEF for services provided, and renegotiated rates for 1992-1993.

f/ Represents an adjustment to 1993 income as a result of a transfer of a contribution to UNDP from the Department of Humanitarian Affairs in accordance with the donor's request.

g/ Represents primarily adjustments to prior period income, from UNFPA, $95,635, United Nations Office at Geneva, $28,879.

The accompanying notes are an integral part of the financial statements.

SPECIAL ACCOUNTS FOR PROGRAMME SUPPORT COSTS
TECHNICAL CO-OPERATION REIMBURSEMENT RESOURCES - BY OFFICES

Statement of income and expenditure and changes in reserves and fund balances
for the biennium 1994-1995ending 31 December 1995

(Thousands of United States dollars)

	United Nations Head-quarters a/	ECA	ESCAP	ECE	ECLAC	ESCWA	UNCTAD	UNCHS	Total 1995	Totai 1993
Income										
Income for services rendered to:										
UNDP	14,973	66	528	67	123	23	2,201	5,059	23,040	32,195
UNFPA	864	238	417	107	186	-	-	-	1,812	4,105
Technical co-operation trust funds	6,057	266	2715	196	1,143	9	3,034	686	14,106	12,224
Associated agency projects	3,289	-	-	-	93	11	154	453	4,000	2,871
General trust funds	-	-	-	-	4	-	4	-	8	293
Subtotal	25,183	570	3,660	370	1,549	43	5,393	6,198	42,966	51,688
Interest income	232	111	243	14	127	23	107	2	859	1,862
Other/miscellaneous income	169	59	421	-	87	50	214	114	1,114	843
TOTAL INCOME	25,584	740	4,324	384	1,763	116	5,714	6,314	44,939	54,393
Expenditure										
Staff and other personnel costs	32,446	446	3,610	104	1,236	70	6,074	6,919	50,905	58,872
Travel	242	244	-	4	28	14	41	165	738	1,291
Contractual services	353	-	10	2	12	-	48	4	429	470
Operating expenses	2,629	94	68	-	30	17	1	925	3,764	3,528
Acquisitions	39	-	-	9	1	-	-	19	68	697
Fellowships, grants, other	419	-	-	-	-	-	673	2	1,094	1,158
TOTAL EXPENDITURE	36,128	784	3,688	119	1,307	101	6,837	8,034	56,998	66,016
Excess (shortfall) of income over expenditure	(10,544)	(44)	636	265	456	15	(1,123)	(1,720)	(12,059)	(11,623)
Prior period adjustments	(46)	(294)	-	-	-	-	(4)	-	(344)b/	(340)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(10,590)	(338)	636	265	456	15	(1,127)	(1,720)	(12,403)	(11,963)
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	9,479	556	1,193	71	1,446	250	2,195	1,694	16,884	28,850
RESERVES AND FUND BALANCES, END OF PERIOD	(1,111)	218	1,829	336	1,902	265	1,068	(26)	4,481	16,887

Schedule 16.1
(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995
(Thousands of United States dollars)

	United Nations Head-quarters a/	ECA	ESCAP	ECE	ECLAC	ESCWA	UNCTAD	UNCHS	Total 1995	Total 1993
Assets										
Cash	612	707	1,637	320	1,451	225	1,248	156	6,356	17,369
Inter-fund balances receivable	-	-	-	-	504	80	-	-	584	471
Due from technical co-operation activities	-	-	222	17	-	-	-	1991	2,230	2,141
Other accounts receivable	1,056	171	-	3	-	-	18	290	1,538	2,262
Other assets	121	55	-	-	-	-	-	54	230	163
TOTAL ASSETS	1,789	933	1,859	340	1,955	305	1,266	2,491	10,938	22,406
Liabilities										
Unliquidated obligations	984	62	30	-	53	40	87	89	1,345	757
Inter-fund balances payable	1,805	-	-	-	-	-	-	1718	3,523	4,385
Due to technical co-operation activities	-	-	-	-	-	-	101	-	101	-
Other accounts payable	111	395	-	4	-	-	10	710	1,230	358
Other liabilities	-	258	-	-	-	-	-	-	258	19
TOTAL LIABILITIES	2,900	715	30	4	53	40	198	2,517	6,457	5,519
Reserves and Fund balances										
Operating reserve	-	143	847	37	388	10	560	403	2,388	5,881
Cumulative surplus (deficit)	(1,111)	75	982	299	1,514	255	508	(429)	2,093	11,006
TOTAL RESERVES AND FUND BALANCES	(1,111)	218	1,829	336	1,902	265	1,068	(26)	4,481	16,887
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	1,789	933	1,859	340	1,955	305	1,266	2,491	10,938	22,406

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a/ Represents extrabudgetary technical cooperation activities of the Department for Development Support and Management Services.

b/ Represents adjustments to 1993 administrative and operational support costs for projects executed by the United Nations Research Institute for Social Development, and 1992-1993 programme support costs for UNDP/UNFPA, ECA and UNCTAD.

Statement XVII

UNITED NATIONS CAPITAL ASSETS FUND a/

Statement of income and expenditure and changes in reserves and fund balances for the the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	1995	1993
Income		
TOTAL INCOME	–	–
Expenditure		
TOTAL EXPENDITURE	–	–
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	–	–
Transfers to (from) other funds b/	–	9,993
Other adjustments to reserves and fund balances b/	–	686
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	267,455	256,776
RESERVES AND FUND BALANCES, END OF PERIOD	267,455	267,455

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

	1995	1993
Assets		
Land and buildings	267,455	267,455
TOTAL ASSETS	267,455	267,455
Reserves and fund balances		
Funded by United Nations General Fund b/	10,679	10,679
Donated funds	20,222	20,222
Regular budget appropriations	236,554	236,554
Total capital funds relating to land and buildings	267,455	267,455
TOTAL RESERVES AND FUND BALANCES	267,455	267,455

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a/ See note 17.

b/ By resolution 47/227 of 8 April 1993, the General Assembly decided that the UNITAR building should be transferred to the United Nations in return for the cancellation of the debt of the Institute as at 31 December 1992, which totalled $10,678,482. As pointed out by the Advisory Committee (A/47/7Add.14), the advances made by the United Nations to UNITAR had been financed through savings in the United Nations programme budgets since 1983. The cost of the building is considered to be the amount charged to the retained fund balances of the General Fund ($9,992,482) and charged to Deferred income ($686,000). The latter amount represents the unreimbursed portion of the advance under Income Section II of the regular budget authorized by resolution 38/177 of 19 December 1983.

The accompanying notes are an integral part of the financial statements.

Statement XVIII

PROJECTS OF A MULTI-YEAR NATURE: UNITED NATIONS CONSTRUCTION-IN-PROGRESS AND INTEGRATED MANAGEMENT INFORMATION SYSTEM a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	Construction-in-Progress							
	UNEP	ECA	ESCAP	Undistributed	Total	IMIS	Total 1995	Total 1993
Income								
Allocations from other funds	2,573 b/	17,242	-	-	19,815	20,793	40,608	79,055
Interest income	8	-	1	4,545	4,554	1,291	5,845	3,271
TOTAL INCOME	2,581	17,242	1	4,545	24,369	22,084	46,453	82,326
Expenditure c/								
TOTAL EXPENDITURE	-	-	-	-	-	-	-	-
Excess (shortfall) of income over expenditure	2,581	17,242	1	4,545	24,369	22,084	46,453	82,326
Prior period adjustments	-	-	-	-	-	(86)	(86)	244
NET EXCESS OF INCOME OVER EXPENDITURE	2,581	17,242	1	4,545	24,369	21,998	46,367	82,570
Other adjustments to fund balances d/	(468)	-	(10)	(42)	(520)	-	(520)	-
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	5,853	90,335	48,705	4 108	149,001	31,142	180,143	97,573
RESERVES AND FUND BALANCES, END OF PERIOD	7,966	107,577	48,696	8,611	172,850	53,140	225,990	180,143

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	Construction-in-Progress						Total	Total
	UNEP	ECA	ESCAP	Undistributed	Total	IMIS	1995	1993
Assets								
Cash and term deposits	28 e/	-	-	37,930	37,958	-	37,958	69,524
Due from United Nations General Fund	-	-	-	-	-	14,187	14,187	8,365
Due from Construction Fund	428	23,354	2,510	(26,292)	-	-	-	-
Other accounts receivable	-	-	-	28	28	402	430	153
Deferred charges	-	-	-	-	-	-	-	364
Construction-in-progress	7,814 f/	86,828	46,512	-	141,154	-	141,154	117,230
Cumulative IMIS expenditures to date	-	-	-	-	-	43,611	43,611	27,012
TOTAL ASSETS	8,270	110,182	49,022	11,666	179,140	58,200	237,340	222,648
Liabilities								
Unliquidated obligations	1	2,605	326	-	2,932	5,041	7,973	37,691
Due to United Nations General Fund	-	-	-	3,055	3,055	-	3,055	-
Due to UNEP	283	-	-	-	283	-	283	2,904
Other accounts payable	20	-	-	-	20	19	39	1,910
TOTAL LIABILITIES	304	2,605	326	3,055	6,290	5,060	11,350	42,505
Reserves and fund balances								
Capital funds relating to :								
Land and buildings	7,966	107,577	48,696	8,611	172,850	-	172,850	149,001
IMIS	-	-	-	-	-	53,140	53,140	31,142
TOTAL RESERVES AND FUND BALANCES	7,966	107,577	48,696	8,611	172,850	53,140	225,990	180,143
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	8,270	110,182	49,022	11,666	179,140	58,200	237,340	222,648

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a/ See note 18.

b/ Represents additional transfer from Income Section II of the Regular Budget for Nairobi construction funding as outlined in the reports of the Secretary-General (A/CN.1/R.1139 and A/CN.1/R.1159).

c/ Expenditure of $23,923,278 (ECA,$20,091,328; ESCAP, $1,077,632; UNEP, $2,754,318) incurred for the period, including gains or losses on exchange, is reported as construction-in-progress and $16,598,933 as cumulative IMIS expenditure in the statement of assets and liabilities.

d/ Net gains or losses on exchange previously included in the fund balances have now been reclassified and are included in the construction-in-progress accounts in the statement of assets and liabilities.

e/ Held in non-convertible Kenya shillings.

f/ The construction-in-progress costs include interest expense of $347,977 payable on the loan of $6,000,000 from UNEP. The principal of the loan and $64,793 of the interest have been repaid through remission of rental income from UNEP in 1992, 1993 and 1994.

The accompanying notes are an integral part of the financial statements.

Statement XIX

UNITED NATIONS TAX EQUALIZATION FUND a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994–1995 ending 31 December 1995

(Thousands of United States dollars)

	United States	Other Member States	Total 1995	Total 1993 b/
Income				
Staff assessment receipts from:				
United Nations Regular Budget c/ d/	95,161	285,586	380,747	380,684
Peace–keeping operations (Schedule 18.1)	20,899	45,625	66,524	54,760
International Tribunals e/	610	1,829	2,439	–
TOTAL INCOME	116,670	333,040	449,710	435,444
Expenditure				
Actual and estimated reimbursements to staff members subject to United States income taxes for tax years 1994 and 1995:				
Federal income tax	57,849	–	57,849	54,931
State income taxes	17,800	–	17,800	17,254
New York City/Yonkers income taxes	6,446	–	6,446	6,338
Social Security taxes	9,905	–	9,905	9,507
Subtotal	92,000	–	92,000	88,030
Credits given to other Member States for:				
United Nations Regular Budget	–	257,423	257,423	320,534
Peace–keeping operations (Schedule 18.1)	–	51,189	51,189	41,218
International Tribunals f/	–	2,043	2,043	–
TOTAL EXPENDITURE	92,000	310,655	402,655	449,782
Excess (shortfall) of income over expenditure	24,670	22,385	47,055	(14,338)
Prior-period adjustments	(840)	–	(840)	(2,748)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	23,830	22,385	46,215	(17,086)
Savings on, or cancellation of, prior periods' obligations	3,515	–	3,515	–
Credits to United States	(21,757)	–	(21,757)	(24,183)
Other adjustments to fund balances	–	–	–	1,440
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	21,757	(20,473)	1,284	41,113
RESERVES AND FUND BALANCES, END OF PERIOD	27,345	1,912	29,257	1,284

Statement XIX
(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	United States	Other Member States	Total 1995	Total 1993 b/
Assets				
Advances outstanding:				
Estimated taxes for tax year 1995	38,975	–	38,975	36,292
Estimated taxes for prior years g/	591	–	591	164
Other accounts receivable h/	–	29	29	35
Due from United Nations General Fund	34,871	102	34,973	9,852
Deferred charges	–	1,781	1,781	2,377
TOTAL ASSETS	74,437	1,912	76,349	48,720
Liabilities				
Unliquidated obligations	47,092	–	47,092	47,436
TOTAL LIABILITIES	47,092	–	47,092	47,436
Reserves and fund balances				
Cumulative surplus	27,345	1,912	29,257	1,284
TOTAL RESERVES AND FUND BALANCES	27,345	1,912	29,257	1,284
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	74,437	1,912	76,349	48,720

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a/ See note 19.

b/ Comparative figures reclassified to comform to current presentation.

c/ The actual revenue from staff assessment for 1995 under Section 28 of the United Nations regular budget amounted to $374,133,024. Staff assessement credits for prior years of $904,894 and credits derived from revenue-producing activities of $5,708,695 increased total income to $380,746,613.

d/ Excludes staff assessment income of $3,300,912 for regular budget and $161,187 for revenue-producing activities to be realized in 1996. (See Statement IV)

e/ Includes staff assessment income of $2,307,056 and $131,897, respectively, for the International Tribunals for the former Yugoslavia and for Rwanda.

f/ Includes credits of $1,835,978 and $207,150, respectively, against the assessements for the International Tribunals for the former Yugoslavia and for Rwanda.

g/ Represents advances of $40,267 for 1991, $41,395 for 1992, $216,846 for 1993 and $292,505 for 1994.

h/ Represents $12,801 and $16,648 to be charged against the credit of Turkey for 1996 and 1997, respectively.

The accompanying notes are an integral part of the financial statements.

Schedule 19.1

UNITED NATIONS TAX EQUALIZATION FUND

Income and expenditure for peace-keeping operations for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

Income	United States of America	Other Member States	Total 1995	Total 1993
Staff assessment receipts from:				
United Nations Peace-keeping Force in Cyprus	581	1,274	1,855	319
United Nations Disengagement Observer Force	447	975	1,422	1,872
United Nations Interim Force in Lebanon	1,757	3,830	5,587	6,370
United Nations Angola Verification Mission	1,189	2,613	3,802	3,620
United Nations Iraq-Kuwait Observation Mission	1,021	2,228	3,249	2,825
United Nations Mission for the Referendum in Western Sahara	1,308	2,859	4,167	2,678
United Nations Observer Mission in El Salvador	1,009	2,189	3,198	4,560
United Nations Transition Authority in Cambodia	717	1,542	2,259	21,453
United Nations Military Liaison Team in Cambodia	-	(1)	(1)	-
United Nations Protection Force	6,587	14,436	21,023	5,910
United Nations Operation in Somalia	2,499	5,417	7,916	3,311
United Nations Operation in Mozambique	1,299	2,812	4,111	1,718
United Nations Assistance Mission in Rwanda and United Nations Observer Mission Uganda-Rwanda	1,093	2,394	3,487	65
United Nations Observer Mission in Georgia	300	661	961	-
United Nations Observer Mission in Liberia	443	965	1,408	79
United Nations Mission in Haiti	595	1,312	1,907	-
United Nations Mission of Observers in Tajikistan	54	119	173	-
United Nations Iran-Iraq Military Observer Group	-	-	-	(29)
United Nations Transition Assistance Group	-	-	-	9
TOTAL INCOME	20,899	45,625	66,524	54,760
Expenditure				
Credits given to Member States for:				
United Nations Peace-keeping Force in Cyprus	-	1,073	1,073	224
United Nations Disengagement Observer Force	-	1,398	1,398	1,299
United Nations Interim Force in Lebanon	-	5,019	5,019	4,181
United Nations Angola Verification Mission	-	3,386	3,386	2,359
United Nations Iraq-Kuwait Observation Mission	-	2,730	2,730	2,365
United Nations Mission for the Referendum in Western Sahara	-	5,711	5,711	249
United Nations Observer Mission in El Salvador	-	2,427	2,427	3,671
United Nations Transition Authority in Cambodia	-	-	-	13,940
United Nations Military Liaison Team in Cambodia	-	10	10	9
United Nations Protection Force	-	12,192	12,192	6,711
United Nations Operation in Somalia	-	4,080	4,080	4,262
United Nations Operation in Mozambique	-	3,414	3,414	1,430
United Nations Assistance Mission in Rwanda and United Nations Observer Mission Uganda-Rwanda	-	4,127	4,127	212
United Nations Observer Mission in Georgia	-	969	969	53
United Nations Observer Mission in Liberia	-	1,442	1,442	246
United Nations Mission in Haiti	-	2,924	2,924	7
United Nations Mission of Observers in Tajikistan	-	287	287	-
TOTAL EXPENDITURE	-	51,189	51,189	41,218

UNITED NATIONS FUNDS HELD-IN-TRUST a/

Statement of income and expenditure and changes in reserves and fund balances for the biennium 1994-1995 ending 31 December 1995

(Thousands of United States dollars)

	After-Service Life Insurance Coverage	Special Accounts Compensation Awards	Rate Stabilization Reserves for Blue Cross, Aetna, GHI, Van Breda	United Nations Staff Life Insurance Reserves	Medical Insurance Plan for Field Local Staff	Self-Insurance Reserve Fund Headquarters General Liabilities	Geneva and UN Staff Mutual Insurance Society Against Sickness and Accident	Joint Inspection Unit Provident Fund	Total 1995	Total 1993
Income										
Contributions from staff and the United Nations	-	4,475	15,936	-	8,338	-	65,211	-	93,960	66,235
Allocations from other funds	-	-	-	-	-	400	-	-	400	400
Insurance rebates	-	-	912	-	-	-	-	-	912	549
Interest income	143	1,672	3,751	1,045	951	175	2,388	18	10,143	6,200
Gain on exchange	-	-	-	-	-	-	5,648	-	5,648	-
Other/miscellaneous income	-	-	-	-	-	-	168	-	168	475
TOTAL INCOME	143	6,147	20,599	1,045	9,289	575	73,415	18	111,231	73,859
Expenditure										
Staff and other personnel costs	-	-	-	12	-	-	1,297	30	1,339	763
Other operating expenses	-	-	-	-	-	-	122	-	122	838
Compensation payments	-	579	-	-	79	2	-	-	660	427
Insurance premiums	210	-	-	249	-	-	-	-	459	432
Premium rebate	-	-	7,461	-	-	-	-	-	7,461	3,109
Claim reimbursements	-	-	-	-	5,654	-	52,510	-	58,164	45,606
Deficit premiums	-	-	2,182	840	-	-	-	-	3,022	6,481
TOTAL EXPENDITURE	210	579	9,643	1,101	5,733	2	53,929	30	71,227	57,656
Excess (shortfall) of income over expenditure	(67)	5,568	10,956	(56)	3,556	573	19,486	(12)	40,004	16,203
Prior period adjustments	-	-	-	-	(2,650) c/	-	(150)	-	(2,800)	128
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(67)	5,568	10,956	(56)	906	573	19,336	(12)	37,204	16,331
Other adjustments to reserves and fund balances	-	-	9,312 b/	1,300 b/	-	-	-	-	10,612	-
RESERVES AND FUND BALANCES, BEGINNING OF PERIOD	1,210	14,801	37,509	9,866	9,682	1,657	14,330	178	89,233	72,901
RESERVES AND FUND BALANCES, END OF PERIOD	1,143	20,369	57,777	11,110	10,588	2,230	33,666	166	137,049	89,232

Statement XX
(concluded)

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	After-Service Life Insurance Coverage	Special Accounts Compensation Awards	Rate Stabilization Reserves for Blue Cross, Aetna, GHI, Van Breda	United Nations Staff Life Insurance Reserves	Medical Insurance Plan for Field Local Staff	Self-Insurance Reserve Fund Headquarters General Liabilities	Geneva and UN Staff Mutual Insurance Society Against Sickness and Accident	Joint Inspection Unit Provident Fund	Total 1995	Total 1993
Assets										
Cash and term deposits	1,129	19,349	42,582	9,975	9,823	1,817	23,130	163	107,968	76,866
Investments	–	–	–	–	–	–	11,733	–	11,733	10,408
Due from United Nations General Fund	–	862	3,508	–	560	398	101	–	5,429	2,275
Other accounts receivable	34	158	375	251	205	15	967	3	2,008	896
Premium stabilization reserve	–	–	11,312	1,300	–	–	–	–	12,612	2,000
TOTAL ASSETS	1,163	20,369	57,777	11,526	10,588	2,230	35,931	166	139,750	92,445
Liabilities										
Due to United Nations General Fund	20	–	–	416	–	–	–	–	436	39
Other accounts payable	–	–	–	–	–	–	2,134	–	2,134	3,127
Deferred income	–	–	–	–	–	–	131	–	131	47
TOTAL LIABILITIES	20	–	–	416	–	–	2,265	–	2,701	3,213
Reserves and fund balances										
Operating reserves	–	–	1,834	1,289	–	–	19,873	–	22,996	11,354
Cumulative surplus (deficit)	1,143	20,369	55,943	9,821	10,588	2,230	13,793	166	114,053	77,878
TOTAL RESERVES AND FUND BALANCES	1,143	20,369	57,777	11,110	10,588	2,230	33,666	166	137,049	89,232
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	1,163	20,369	57,777	11,526	10,588	2,230	35,931	166	139,750	92,445

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a/ See note 20.

b/ Represents medical and life insurance reserves, held by Aetna on behalf of the United Nations, not previously recorded in the accounts.

c/ Includes $2,822,082, representing withdrawal of UNHCR's share of the medical insurance plan's fund balance as at 31 December 1993. UNHCR separated from the United Nations medical insurance plan in 1995.

The accompanying notes are an integral part of the financial statements.

Statement XXI

SPECIAL ACCOUNT FOR THE SALE OF UNITED NATIONS BONDS a/

Statement of assets, liabilities, reserves and fund balances as at 31 December 1995

(Thousands of United States dollars)

	1995	1993
Assets		
Due from the Ad Hoc Account for the United Nations Operation the Congo	35,931	35,931
Due from the Special Account for the United Nations Emergency Force (1956)	8,117	8,117
TOTAL ASSETS	44,048	44,048
Liabilities		
Total bonds sold	169,906	169,906
Amortized to December 1989	(166,653)	(166,653)
Net gain on exchange	(3,253)	(3,253)
UNITED NATIONS BONDS OUTSTANDING	–	–
Reserves and fund balances		
Cumulative surplus	44,048	44,048
TOTAL RESERVES AND FUND BALANCES	44,048	44,048
TOTAL RESERVES AND FUND BALANCES	44,048	44,048

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a/ See note 21.

The accompanying notes are an integral part of the financial statements.

F. NOTES

Notes to the financial statements

Note 1. The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development;

(iii) Universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories.

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as on the financial and administrative aspects of the Organization.

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts towards resolving conflicts, restoring democracy, promoting disarmament, providing electoral assistance and facilitating post-conflict peace-building.

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other United Nations organizations to address international economic, social and health problems.

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding judgements.

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2. Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations (the "Organization") are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations, and administrative instructions issued by the Under-Secretary-General for Administration and Management or the Controller. They also take fully into account the common accounting standards for the United Nations system, as adopted by the Administrative Committee on Coordination. The General Assembly took note of those standards in its resolution 48/216 C of 23 December 1993. The United Nations follows International Accounting Standard 1 on the disclosure of accounting policies, as modified and adopted by the Consultative Committee on Administrative Questions at its fifty-fourth session, as indicated below:

(i) Going concern, consistency, and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed, together with the reasons;

(ii) Prudence, substance over form, and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies which have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show corresponding figures for the preceding period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed, together with the reasons. The effect of the change should, if material, be disclosed and quantified.

(b) The United Nations accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature.

(c) The financial period of the Organization is a biennium and consists of two consecutive calendar years.

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting, although for assessed income see paragraph (j) (ii) below.

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Controller. In respect of such currencies, the financial statements, prepared at such intervals as may be prescribed by the Controller under delegation of authority from the Under-Secretary-General for Administration and Management, shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of United Nations rates of exchange for the last month of the financial period, a footnote will be presented quantifying the difference.

(f) The United Nations financial statements are prepared on the historical cost basis of accounting and have not been adjusted to reflect the effects of changing prices for goods and services.

(g) The United Nations financial statements are presented in accordance with the ongoing recommendations of the Working Party on Financial Statements of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions). In the interest of harmonizing the presentation of financial statements within the entire United Nations system, the recommended standards require the presentation of summary financial results for all of an organization's activities in statements I and II, a statement III presentation of its regular budget cash flows and, if applicable, a statement IV or comparable schedule presentation of the status of its regular budget appropriations.

(h) The results of the United Nations operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a consolidated basis after the elimination of all inter-fund balances and instances of double-counting of income and expenditure. Their presentation on a consolidated basis does not imply that the various separate funds can be intermingled in any way, since normally resources may not be utilized between funds.

(i) Certain reclassifications have been made to some of the comparative numbers shown in the financial statements for the period 1 January 1992 to 31 December 1993 in order for them to conform to the new financial statement formats. None of these reclassifications of the 1993 numbers represents any real change in the financial results for that period.

(j) Income:

(i) Amounts necessary to finance the activities of the United Nations regular budget and peacekeeping operations as well as the Working Capital Fund are assessed to Member States according to the scale of assessments determined by the General Assembly;

(ii) The basis for reporting income received from Member States has changed in some instances from the basis used previously. Formerly, income from Member States for the regular budget and some assessed peacekeeping missions was recognized whenever it was appropriated by the General Assembly. Income is now recognized for financial statement purposes only when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been approved;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in United Nations treaties, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. In accordance with General Assembly resolution 44/192 A of 29 December 1989, voluntary contributions made in cash or in the form of services and supplies that are acceptable to the Secretary-General are credited to income in respect of peacekeeping accounts;

(v) Income from revenue-producing activities, including activities handled by outside contractors, is shown in the financial statements on a net basis, after the subtraction of directly related operating expenditures;

(vi) Income received under inter-organization arrangements represents allocations of funding from agencies who wish the Organization to administer projects or other programmes on their behalf;

(vii) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(viii) Income from jointly financed activities represents reimbursements by other organizations for their share of joint costs paid for by the United Nations;

(ix) Income for services rendered includes reimbursements for salaries of staff members and other costs that are attributable to providing technical and administrative support to other organizations;

(x) Interest income includes all interest and related investment income earned on invested funds, various bank accounts and time deposits;

(xi) Miscellaneous income includes income from rental of premises, sale of used or surplus property, refunds of expenditures charged to prior periods, income resulting from net gains resulting from currency translations, settlements of insurance claims, monies accepted for which no purpose was specified and other sundry income.

(k) Assets:

(i) Cash and term deposits comprise funds on deposits in interest-bearing bank accounts, certificates of deposit and call accounts;

(ii) Investments include securities acquired by the Organization to produce income. Apart from changes in the value arising from translation of currencies, all investments are stated at cost. No provision is made for amortization of premiums or discounts which are taken into account as part of the gain or loss when the investments mature;

(iii) The balances of unpaid assessed contributions due from Member States are reported irrespective of collectibility;

(iv) Deferred charges comprise expenditure items which are not properly chargeable in the current financial period and which will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 110.6. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(v) For balance sheet statement purposes only, those portions of education grant advances which are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances settled;

(vi) Construction-in-progress and cumulative costs of the Integrated Management Information System, as well as the cost of land and completed construction projects, are reflected as capital assets of the Organization;

(vii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is recorded in memoranda accounts and is disclosed in notes to the financial statements.

(l) Liabilities and reserves and fund balances:

(i) To comply with the new uniform financial statement formats, the classification of operating reserves and other types of reserves has been changed from that employed previously. Formerly, all such reserves were considered to be liabilities of the Organization and were included in the liability totals shown in the financial statements. Reserves are now considered to be one component of a new category encompassing both reserves and fund balances, and they are accordingly included in the totals for "Reserves and fund balances" shown in the financial statements;

(ii) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current period obligations related to the regular budget remain valid for 12 months following the end of the biennium to which they relate. Obligations for most technical cooperation activities remain valid for 12 months after the end of each calendar year. Unliquidated obligations relating to amounts owed by peacekeeping operations to Member States may normally be retained for a period of five years beyond the end of a period;

(iii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iv) Deferred income includes pledged contributions for future periods, advance sales realized under revenue-producing activities, and other income received but not yet earned.

(m) Technical cooperation activities:

(i) The technical cooperation financial statements report on the activities financed by UNDP, UNFPA and UNEP and certain trust funds. In addition, the total expenditures for projects executed under section 20 of the regular budget of the United Nations, together with corresponding amounts of contributions income, are also reflected in the technical cooperation financial statements;

(ii) The appropriation for technical cooperation programmes of the regular budget is administered in accordance with the Financial Regulations of the United Nations, except that the definition of obligations and the period of validity are subject to procedures indicated in the current General Assembly resolution on the programme budget for the biennium. Unliquidated obligations for the regular programme of technical cooperation which are outstanding at the end of a financial period are transferred from the United Nations General Fund accounts to the technical cooperation accounts in the following financial period;

(iii) Funds received under inter-organization arrangements - UNDP, UNFPA and UNEP: the figures for this income from UNDP, UNFPA and UNEP are the same as reported for total expenditure, in line with UNDP, UNFPA and UNEP procedures, which require that allocations be adjusted to equal actual expenditure;

(iv) Contributions income - trust funds: contributions from Member States or other donors are recorded upon receipt of the contribution or written pledge;

(v) Interest and miscellaneous income: miscellaneous income arising from regular budget activities is credited to miscellaneous income of the General Fund. Interest and miscellaneous income arising from UNDP, UNFPA and UNEP activities are credited to the operating fund accounts maintained with those organizations. Interest and miscellaneous income for technical cooperation trust funds are credited to the trust funds concerned;

(vi) Unspent allocations/deferred income - UNDP, UNFPA and UNEP: the unspent balance of allocations issued for the current year, together with allocations issued for future years, is reflected as an asset and as deferred income. Unspent allocations for UNDP-financed projects and UNDP-administered trust funds are based on the project budgets. Unspent allocations for UNFPA-financed projects and UNEP projects are based on allocation advices issued by those organizations;

(vii) Unliquidated obligations for the current period in respect of all technical cooperation activities other than the regular budget remain valid for 12 months following the end of the calendar year, rather than the biennium, to which they relate. However, in accordance with UNDP/UNFPA reporting requirements, executing agencies may retain unliquidated obligations beyond 12 months when a firm liability to pay still exists; such liabilities are reported as accounts payable in the financial statements. Savings in the liquidation of prior-period obligations are credited to individual projects as a reduction of current period expenditure in accordance with UNDP/UNFPA reporting requirements;

(viii) In accordance with UNDP/UNFPA reporting requirements, unliquidated obligations are reflected in the accounts but are not reported as part of the expenditure for the interim periods. They are reported as such only at year end. For interim periods, current year unliquidated obligations for UNDP, UNFPA and technical cooperation trust funds are reported as deferred charges and as a liability;

(ix) A system of average costing is used for UNDP/UNFPA projects whereby those elements of experts' actual costs which are unique to the individual expert are charged to UNDP/UNFPA projects at average cost, calculated by apportioning those costs over all UNDP or UNFPA projects in respect of which expert-months have been delivered in the current period;

(x) Provision for repatriation grant entitlements is calculated on the basis of 8 per cent of net base pay for all project personnel except those subject to average costing.

(n) Trust funds established by the General Assembly or by the Secretary-General are of two types - general trust funds and technical cooperation trust funds:

(i) Accounts for general trust funds are maintained under the same accounting procedures as those adopted for the regular budget;

(ii) Accounts for technical cooperation trust funds and for the United Nations Population Fund - United Nations Work Programme general trust fund are accounted for on the same basis as described above for technical cooperation activities;

(iii) Extrabudgetary funds provided to reimburse the Organization for the use of its facilities are not treated as trust funds. Any unspent balances of such funds held by the Organization are included as part of accounts payable totals reported in the General Fund (statement V).

Note 3. All funds summaries: income and expenditure and changes in reserves and fund balances (statement I); assets, liabilities and reserves and fund balances (statement II); cash flow (statement III)

(a) Statements I, II, and III contain financial results for all United Nations funds, which are totalled into five groups of related funds and, after eliminations, consolidated into a grand total reflecting all activities of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any other purpose than that for which it is authorized:

(i) "General Fund, Working Capital Fund and Special Account" includes the United Nations General Fund (statement V), the United Nations Working Capital Fund (statement VI), and the United Nations Special Account (statement VII);

(ii) "Peacekeeping operations" includes the financial results summarized in statement XXII in volume II of the financial accounts, representing all active and completed peacekeeping missions (statements XXIII-XLIII), the Peacekeeping Reserve Fund (statement XLIV) and the Special Account for Programme Support Costs of Peacekeeping Operations (statement XLV);

(iii) "Technical cooperation activities" includes the same financial results as are reflected in statement VIII;

(iv) "General trust funds" includes the financial results summarized in statement IX;

(v) "Other special funds" includes all other United Nations funds, which are maintained for a variety of purposes (statements X to XXI).

(b) To comply with the new uniform financial statement formats, statement I includes two calculations of the excess (shortfall) of income over expenditure. The first calculation is based on income and expenditure only for the current period in the biennium. The second calculation shown is a net one, which includes any prior period adjustments to income or expenditure.

(c) The inclusion of the changes during the financial period shown in "Reserves and fund balances" as part of the statement of income and expenditure represents a major change in presentation to comply with the new financial statement formats. Formerly these changes had been included in the fund balance section of the statement of assets and liabilities.

(d) The cash flow summary statement was presented in prior financial reports in a different format as an annex to the financial statements. It previously covered only the cash flow results for the General Fund, Working Capital Fund and Special Account, which are included as the first column in the present statement. The current format is based on the "indirect method" of cash flow statements covered by International Accounting Standard Number 7.

Note 4. General Fund: status of appropriations (statement IV)

In accordance with General Assembly resolutions 48/231 A, 49/220 A and 50/205 A, the budget appropriations and gross assessments for the biennium 1994-1995 are as follows (thousands of United States dollars):

	1994	1995	Total 1994-1995
Budget appropriation (resolution 48/231 A)	1 290 100	1 290 100	2 580 200
Add: Increased appropriation for the biennium 1994-1995 (resolution 49/220 A)	-	28 074	28 074
Increased appropriation for the biennium 1994-1995 (resolution 50/205 A)	-	24 161	24 161
Total final 1994-1995 budget appropriation	1 290 100	1 342 335	2 632 435
Estimated income (other than staff assessment) for the biennium 1994-1995 (resolution 48/231 B)	33 019	33 019	66 038
Add: Revised income (other than staff assessment) for the biennium 1994-1995 (resolution 49/220 B)	-	2 826	2 826

		1994	1995	Total 1994-1995
Less:	Decrease in income (other than staff assessment) for the biennium 1994-1995 (resolution 50/205 B)	-	947	947
	Total final 1994-1995 estimated income	33 019	34 898	67 917
Total final 1994-1995 budget appropriation less total estimated income		1 257 081	1 307 437	2 564 518
Add:	Increase in appropriation for biennium 1990-1991 (resolution 49/218)	-	17 233	17 233
Less:	Increase in income (other than staff assessment) for biennium 1990-1991 (resolution 49/220 C)	-	1 982	1 982
	Decreased appropriation for the biennium 1992-1993 (resolution 48/219 A)	56 054	-	56 054
	Revised income (other than staff assessment) for the biennium 1992-1993 (resolution 48/219 B)	2 125	-	2 125
	Balance of surplus account at 31 December 1993 applied in 1995 (resolution 49/220 C)	-	37 468	37 468
	Increase in appropriations for the biennium 1994-1995 (resolution 50/205 A)	-	24 161	24 161
	Decrease in income (other than staff assessment) for the biennium 1994-1995 (resolution 50/205 B)	-	947	947
Gross amount assessed on Member States in the biennium 1994-1995		1 198 902	1 260 112	2 459 014

Note 5. General Fund (statement V)

(a) Cash and term deposits:

(i) The cash and term deposits figure shown represents the net total of all cash balances (including funds held in non-convertible currencies) less any overdrafts.

(ii) The following figures show the United States dollar equivalent of the non-convertible currencies held as at 31 December 1995:

Iraqi dinars	1 089 478
Pakistan rupees	149
Ethiopian birr	31 824
Kenya shillings	432 887
Jamaican dollars	4 626
Guatemalan quetzales	6 634
Indian rupees	159 118
Egyptian pounds	14 245
Russian roubles	16 558
Total	1 755 519

(b) Assessed contributions unpaid:

(i) In accordance with financial regulation 5.6, payments made by a Member State are credited first to the Working Capital Fund and then to regular budget contributions due, in the order in which the Member State was assessed;

(ii) Certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. A number of Member States have requested that attention be drawn to their positions as stated by their delegations at successive sessions of the General Assembly. They do not consider themselves bound to participate in paying their estimated share of certain expenditure items included in the United Nations regular budget, such as the United Nations bond issue. Prior to 1975, withholdings by those Member States included their estimated shares of the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Memorial Cemetery in Korea. Prior to 1968, there were withholdings for the United Nations Truce Supervision Organization in Palestine and the United Nations Field Service;

(iii) Certain Member States have also stated that they do not consider themselves bound to particular expenditure items included in the United Nations regular budget, such as the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights, the International Conference on the Question of Palestine, the International Conference on the Alliance between South Africa and Israel, the preparatory commission for the United Nations Conference on the Law of the Sea, the United Nations International School, grants-in-aid to cover the deficit of UNITAR, the International Conference on Kampuchea, and the expenses involved in transferring extrabudgetary posts to the regular budget;

(iv) As a result of the positions taken by some Member States, as outlined above, it is estimated that as at 31 December 1995 a cumulative total of $52.2 million will have been withheld from the payment of two Member States (the United States and Israel). The estimate of $52.2 million is included in the total contributions outstanding as at 31 December 1995 of $564.0 million with respect to the regular budget;

(v) The assessed contributions receivable shown in statement V exclude $16.6 million in unpaid assessed contributions to the regular budget by China for the period up to 24 October 1971. Following adoption by the General Assembly on 25 October 1971 of resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations", that amount was transferred to a special account under resolution 3049 C (XXVII) of 19 December 1972;

(vi) The report on the status of contributions as at 31 December 1995 (ST/ADM/SER.B/484, annex II) shows regular budget unpaid assessed contributions of $564,037,571. The $319 difference between the regular budget unpaid and the $564,037,252 shown as unpaid on statement V is due to the 1995 contribution from Sierra Leone of $325 which was received from the field after preparation of the report but before the year-end accounts were closed. The remaining $6 is due to rounding.

(c) Accounts receivable: the following table is an age analysis of accounts receivable, expressed in millions of United States dollars, included in statement V as at 31 December 1995 and 1993:

	Less than one year	More than one year	Total 1995	Total 1993
Governments	2.8	1.9	4.7	7.9
Staff members	17.8	0.7	18.5	16.5
Specialized agencies	22.6	1.2	23.8	8.7
Inter-office billings	5.3	-	5.3	4.1
Due from other United Nations entities	22.4	-	22.4	18.4
Other	10.6	1.4	12.0	12.5
Total	81.5	5.2	86.7	68.1

(d) Inter-fund balances. Inter-fund balances reflect transactions between the General Fund and other United Nations funds which are normally settled in the following month. Any inter-fund balance existing between the General Fund, the Working Capital Fund and the Special Account are settled only when the liquidity of the General Fund permits. Inter-fund indebtedness with the General Fund is not restricted to transactions directly between the General Fund and other funds. Normal transactions directly between funds other than the General Fund are reported as indebtedness from the General Fund to the fund owed and indebtedness to the General Fund from the fund owing. The following table is a breakdown of the inter-fund balances, in millions of United States dollars, appearing in statement V as at 31 December 1995 and 1993:

Inter-fund balances receivable:

	1995	1993 a/
United Nations technical cooperation activities (statement VIII)	1.7	2.7
United Nations general trust funds (statement IX)	12.9	7.4
United Nations Compensation Commission (statement XI)	4.3	1.5
Special account for activities approved under Security Council resolution 687 (1991) (statement XII)	1.5	1.2
International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the former Yugoslavia (statement XIV)	3.4	-
International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda (statement XV)	1.5	-
Special accounts for programme support costs (statement XVI)	17.0	12.2
United Nations Construction-in-progress (statement XVIII)	3.1	-
United Nations funds held-in-trust (statement XX)	0.4	-
United Nations Peacekeeping Force in Cyprus (UNFICYP) (statement XXIII)	0.4	0.3
United Nations Emergency Force (UNEF) and United Nations Disengagement Observer Force (UNDOF) (statement XXIV)	10.8	0.3
United Nations Interim Force in Lebanon (UNIFIL) (statement XXV)	16.5	2.7
United Nations Angola Verification Mission (UNAVEM) (statement XXVI)	3.8	0.6
United Nations Iraq-Kuwait Observation Mission (UNIKOM) (statement XXVII)	0.7	1.7
United Nations Mission for the Referendum in Western Sahara (MINURSO) (statement XXVIII)	2.3	2.3
United Nations Observer Group in Central America (ONUCA) and United Nations Observer Mission in El Salvador (ONUSAL) (statement XXIX)	-	4.4

	1995	1993 a/
United Nations Transitional Authority in Cambodia (UNTAC) (statement XXX)	-	3.2
United Nations Military Liaison Team in Cambodia (UNMLT) (statement XXXI)	0.1	-
United Nations Protection Force (UNPROFOR), United Nations Confidence Restoration Operation in Croatia (UNCRO), United Nations Preventive Deployment Force (UNPREDEP) and United Nations Peace Forces Headquarters (UNPF HQ) (statement XXXII)	8.2	6.5
United Nations Operation in Somalia (UNOSOM) (statement XXXIII)	-	9.8
United Nations Operation in Mozambique (ONUMOZ) (statement XXXIV)	0.3	2.1
United Nations Assistance Mission in Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR) (statement XXXV)	-	3.7
United Nations Observer Mission in Georgia (UNOMIG) (statement XXXVI)	1.7	1.3
United Nations Observer Mission in Liberia (UNOMIL) (statement XXXVII)	-	4.8
United Nations Mission in Haiti (UNMIH) (statement XXXVIII)	2.8	0.2
United Nations Mission of Observers in Tajikistan (UNMOT) (statement XXXIX)	1.0	-
United Nations Iran-Iraq Military Observer Group (UNIIMOG) (statement XLII)	1.2	0.7
United Nations Transition Assistance Group (UNTAG) (statement XLIII)	-	0.1
United Nations Peacekeeping Reserve Fund (statement XLIV)	-	0.1
Special Account for Programme Support Costs of Peacekeeping Operations (statement XLV)	6.6	-
Total	102.2	69.8

Inter-fund balances payable:

	1995	1993 a/
United Nations technical cooperation activities (statement VIII)	15.0	19.2
United Nations general trust funds (statement IX)	3.5	1.8
United Nations escrow account established under Security Council resolutions 706 (1991) and 778 (1992) (statement X)	2.5	-
Special accounts for programme support costs (statement XVI)	0.8	1.2
United Nations construction-in-progress (statement XVIII)	-	1.9
Integrated Management Information System (IMIS) (statement XVIII)	14.2	6.5
United Nations funds held-in-trust (statement XX)	5.4	2.3
United Nations Observer Group in Central America (ONUCA) and United Nations Observer Mission in El Salvador (ONUSAL) (statement XXIX)	1.2	3.7
United Nations Transitional Authority in Cambodia (UNTAC) (statement XXX)	7.5	-
United Nations Operation in Somalia (UNOSOM) (statement XXXIII)	7.9	-
United Nations Assistance Mission in Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (ONUMUR) (statement XXXV)	2.2	-
United Nations Observer Mission in Liberia (UNOMIL) (statement XXXVII)	0.8	-
Ad Hoc Account for the United Nations Operation in the Congo (ONUC) (statement XLI)	1.5	-
United Nations Transition Assistance Group (UNTAG) (statement XLIII)	1.3	-
Total	63.8	36.6

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a/ Comparative figures reclassified to conform to the current presentation.

(e) Deferred charges: the table below provides an analysis of the amounts shown in statement V as deferred charges, in millions of United States dollars, as at 31 December 1995 and 1993:

	1995	1993
Education grant advances	8.7	5.3
Charges in transit from offices away from Headquarters (inter-office vouchers)	19.7	8.0
Commitments against future years	2.2	1.8
Other	5.9	4.2
Total	36.5	19.3

(f) Non-expendable property: in accordance with United Nations accounting policies, non-expendable property is not included in the fixed assets of the Organization but is charged against the current appropriations when acquired. The following table shows non-expendable property, in millions of United States dollars, at Headquarters and overseas locations, according to the cumulative inventory records of the United Nations:

	1995	1993
Headquarters	80.4	82.2
MINUGUA	1.3	-
UNOSGI, Tehran	-	0.2
UNOSGI, Baghdad	-	4.6
United Nations Administrative Unit, Baghdad	5.0	-
International Court of Justice	1.8	1.4
United Nations Office at Vienna	7.0	4.8
UNEP	8.0	6.4
WFC	-	0.2
UNHCR	135.0	53.3
UNCHS	1.0	0.9
United Nations Office at Geneva	26.6	19.6
ESCWA	1.7	1.0
ECLAC, Mexico	0.4	0.4
ECLAC, Santiago	3.5	3.3
ESCAP	5.1	5.6
ECA	3.8	2.9
UNMOGIP	3.2	3.1
UNTSO	7.9	7.8
OSGAP	0.5	-
United Nations Supply Depot, Pisa	4.0	1.5
United Nations information centres	3.0	2.5
Total	299.2	201.7

The non-expendable inventory costs for United Nations technical cooperation projects amount to $185.2 million.

(g) Accounts payable: the following table is an analysis of the accounts payable and contributions or payments received in advance, in millions of United States dollars, appearing in statement V as at 31 December 1995 and 1993:

	1995	1993 b/
Governments	3.4	4.7
Staff members	12.1	10.4
Vendors	4.9	5.8
Specialized agencies	3.4	1.3
Due to other United Nations entities	7.0	0.1
Provisions for repatriation grant	2.8	3.2
Special Indemnity Fund	0.2	0.2
Proceeds of awards pending disposition a/	0.8	0.5
Other	28.4	12.3
Total	63.0	38.5

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a/ Includes awards proceeds from Nobel Peace Prize, Olaf Palme Prize and Hastings Foundation.

b/ Comparative figures reclassified to conform to current presentation.

(h) Reserves and fund balances: the surplus account of the United Nations General Fund represents funds available for credit to Member States arising from unobligated balances of appropriations, savings in the liquidation of obligations for prior periods, contributions from new Member States and other designated income. The balance of the surplus account is to be offset against future assessments in accordance with the provisions of financial regulation 5.2 (d), unless the General Assembly decides otherwise. The following table shows the composition of total reserves and fund balances as at 31 December 1995 and 1993 (in thousands of United States dollars):

		1995	1993
Authorized retained surplus as established by:			
General Assembly resolution 2947 A and B (XXVII)		3 938	3 938
General Assembly resolution 36/116 B	45 480		
Less: Write-off of arrears for South Africa a/	19 100	26 380	45 480
General Assembly resolution 40/241 B	10 532		
Less: Write-off of arrears for South Africa a/	4 423	6 109	10 532

General Assembly resolution 42/216 A	154 881		
Less: Transfer to Peacekeeping Reserve Fund b/	82 601		
Write-off of arrears for South Africa a/	30 359	41 921	72 280
Total authorized retained surplus		78 348	132 230
Less: Funding of UNITAR building c/		9 992	9 992
Net authorized retained surplus		68 356	122 238
Final 1994-1995 appropriations to be assessed on Member States in 1996:			
Increase in appropriation d/		(24 161)	56 054
Decrease in estimated income other than staff assessment e/		(947)	2 125
Total		(25 108)	58 179
Surplus available for credit to Member States against their assessments for 1997:			
Unencumbered balance of 1994-1995 appropriation:			
Amount appropriated by General Assembly	2 632 435		
Less: Expenditure	2 632 016	419	35 979
Excess of actual income in 1994-1995 over estimated amount:			
Actual income (schedule 5.2)	68 220		
Less: Final income estimates	67 917	303	673
Savings on, or cancellation of, prior-periods' obligations		9 403	-
New Member States contributions		-	5 516
Decrease in appropriation for 1992-1993		-	581
Net increase in appropriation 1990-1991		-	(15 251)
Total surplus available for credit to Member States		10 125	27 498
TOTAL RESERVES AND FUND BALANCES		53 373	207 915

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a/ General Assembly resolution 50/83 of 15 December 1995.

b/ General Assembly resolution 47/217 of 23 December 1992.

c/ General Assembly resolution 47/227 of 8 April 1993.

d/ General Assembly resolution 50/205 A of 23 December 1995.

e/ General Assembly resolution 50/205 B of 23 December 1995.

Note 6. Working Capital Fund (statement VI)

(a) In accordance with General Assembly resolution 48/232 of 23 December 1993, the United Nations Working Capital Fund was established in the amount of $100 million for the biennium 1994-1995. As at 31 December 1995, it had a principal of $100.06 million.

(b) The advances of $576,940 representing the value of physical inventory of the United Nations Gift Centre as at 31 December 1995 have been transferred from the Working Capital Fund to the Gift Centre inventory account and reported as other assets in the United Nations General Fund statement of assets, liabilities, reserves and fund balances (statement V).

Note 7. Special account (statement VII)

Under the provisions of General Assembly resolutions 2053 A (XX) of 15 December 1965 and 3049 A (XXVII) of 19 December 1972, the United Nations Special Account has received voluntary contributions from Member States and private donors in order to overcome the financial difficulties of the United Nations and to resolve the Organization's short-term deficit.

Note 8. Technical cooperation activities (statement VIII)

(a) The amount of $23.6 million shown in statement VIII as receivable from funding sources represents unliquidated obligations in respect of which funds will be requested only as payments become due, in accordance with existing arrangements with UNDP, UNFPA and UNEP.

(b) The $116.3 million in cash and term deposits includes the following United States dollar equivalent amounts of non-convertible currencies:

Bulgarian leva	4 013
Chinese yuan	178 708
Hungarian forint	2 303
Indian rupees	168 708
Indonesian rupiahs	171 335
Polish zlotys	2 362
Russian roubles	12
Total	527 441

(c) Statement VIII excludes expenditures on UNDP nationally executed projects executed on a cooperating agency basis, and projects executed on an associated agency basis, by the following offices:

	National execution a/ $	Associated agency b/ $
United Nations Headquarters	19 744 313	1 268 719
Economic Commission for Latin America and the Caribbean	692 337	120 492
Economic and Social Commission for Western Asia	-	88 049
Economic Commission for Europe	-	180 582
UNCHS	-	2 019 075
UNCTAD	2 620 529	1 041 485
Total	23 057 179	4 718 402

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a/ National execution project expenditures executed by the United Nations on a cooperating agency basis are reported separately by the United Nations to UNDP. National execution project expenditures are reported in full to UNDP by Governments.

b/ Project expenditures executed by the United Nations on an associated agency basis are reported fully in the executing agencies' own financial statements.

The programme support cost income earned from these activities is shown in schedule 16.1.

Note 9. General trust funds (statement IX)

(a) During the biennium a change was made in the accounting policy relating to the treatment of funds disbursed from the Trust Fund for Humanitarian Relief in Iraq to agencies and non-governmental organizations executing humanitarian programmes in Iraq. Formerly such disbursements had been treated as advances to executing agencies until the organizations provided financial reporting, at which time the actual expenditure categories were included as expenditures in the trust fund accounts. With the change in the accounting treatment, funds disbursed to these organizations are considered to be grants and are immediately included as such in the trust fund accounts.

(b) The following 40 new trust funds were established during the biennium 1994-1995 ended 31 December 1995:

Trust Fund for Iraq-Kuwait Border Issues

Trust Fund for the Restoration of Essential Public Services in Sarajevo

Trust Fund for the Administration of the Agreement between the United Nations and Jordan in pursuance of Security Council resolution 661 (1990)

Trust Fund to Support the Implementation of the Agreement on a Temporary Cease-fire and the Cessation of Other Hostile Acts on the Tajik-Afghan Border and within the Country for the Duration of the Talks

Trust Fund for the Commission of Inquiry in Burundi

Trust Fund to Finance Third World Observers to the South African Elections

Trust Fund for Assistance to Registered Political Parties in Mozambique

Trust Fund for Electoral Assistance to Haiti

Trust Fund for the Guatemala Peace Process

Trust Fund for Negotiations to find a Comprehensive Settlement of the Georgian/Abkhaz Conflict

Trust Fund for the Mission of the United Nations in El Salvador

Trust Fund for Haiti to Finance the Cost of Construction Materials

Trust Fund for the Global Conference on the Sustainable Development of Small Island Developing States

Trust Fund for Supporting ECE Regional Conferences and Meetings, including Preparatory Meetings for Global Conferences

Trust Fund for Support of the Work of the Commission on Sustainable Development

Trust Fund for the Support of the Activities Relating to the Implementation of the United Nations New Agenda for the Development of Africa

Trust Fund for Participation of Least Developed Countries in Intergovernmental Meetings

Trust Fund for Rwanda

Trust Fund to Facilitate the Implementation of the Mandate of the United Nations Observer Mission in Georgia (Security Council resolution 937 (1994), para. 10)

Trust Fund for Human Rights Field Operation in Rwanda

Voluntary Trust Fund for Assistance in Mine Clearance

Trust Fund to Provide Goods and Services to the International Police Monitoring Programme and Other Specifically Designated Purposes in Haiti

United Nations Trust Fund for Demining Activities in Angola

Trust Fund for Human Rights Field Operations in Burundi

Trust Fund on Voluntary Fund to Grant Travel Assistance to Developing Countries and Members of the United Nations Commission of International Trade Law

Trust Fund for the International Tribunal for the Prosecution of Persons Responsible for Genocide and other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda

Trust Fund for Assistance to the Office of the Special Representative of the Secretary-General for the Former Yugoslavia

Trust Fund for the Ad Hoc Intergovernmental Group of Experts in the Legal and Financial Field

Trust Fund on Cooperation between the United Nations and Switzerland in the Field of Archives

Trust Fund for Demining Activities of the United Nations Protection Force

Trust Fund for the Fiftieth Anniversary Activities of the Secretary-General

Trust Fund for Assistance to the Special Representative of the Secretary-General for Burundi in Support of Peacekeeping

Trust Fund to Support the Study of Assessment for the Apportionment of the Expenses of the United Nations

Trust Fund for Support from Governments and Organizations to the Department of Peacekeeping Operations' Lessons-Learned Mechanism

Trust Fund for the Financing of a United Nations International Conference on Medical Support for Peacekeeping Operations

Trust Fund for the Open-Ended High-level Working Group of the General Assembly on the Strengthening of the United Nations System

Trust Fund for the International Commission of Inquiry of Arms Flow in the Great Lakes Region of Central Africa

Special Trust Fund for the Core Administrative Budget of the United Nations Framework Convention on Climate Control

Special Trust Fund for Facilitating Participation of State Parties in the United Nations Framework Convention on Climate Control Process

Special Trust Fund for the Voluntary Supplementary Financing of the Approved Activities under the United Nations Framework Convention on Climate Control

(c) The following nine trust funds were closed during the same period:

Trust Fund for the International Conference on Palestine

United Nations Indo-China Trust Fund

Funds for the Special Representative of the Secretary-General for the Coordination of the United Nations Humanitarian Programmes Resulting from the Developments in Kampuchea

Trust Fund for Development Problems and Strengthening Peace and Security

Trust Fund to Facilitate Activities Related to the Implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy

Trust Fund for an Interim Arrangement for Maintaining the Collection and Dissemination of Statistical Information on the International Iron Ore Economy

Voluntary Fund for Supporting Developing Countries Participating in the Conference on Environment and Development and its Preparatory Process

Trust Fund for the Second International Conference on Assistance to Refugees in Africa

International School Fund (Geneva)

(d) As at 31 December 1995, there were 181 general trust funds, of which 161 were in operation. The following had no activity:

Trust Fund for Assistance to Lebanon

Special Account for Assistance to Mozambique

Trust Fund for Special Projects of the Special Committee Against Apartheid

Trust Fund for the Programme on Interrelationships between Resources, Environment, People and Development

Trust Fund for the International Campaign against Drug Abuse and Illicit Drug Trafficking

Trust Fund for the Promotion of a United Nations International Programme for the Ageing

Trust Fund for Research in Regional Cooperation in Asia and in New and Renewable Energy Resources

Trust Fund for Macrothesaurus Management Project

Trust Fund for the Symposia on the Consequence of Rapid Population Growth and on Human Rights and Population

United Nations Electronic Data Interchange for Administration, Commerce and Transport

Trust Fund Related to the Settlement of the Situation Relating to Afghanistan

Trust Fund for the Activities of the International Support and Verification Commission

Trust Fund for the Oral History of the United Nations

Meditation Room Gifts from New York City

Sculpture in Memory of Hammarskjöld, Grant by Blaustein Foundation

Hamish Brown Fellowship Fund

Trust Fund for the Restoration and Maintenance of the Peace Bell

Trust Fund for the Myrdal Lectures

United Nations Trust Fund for Training for UNTAG

Trust Fund for Activities Related to Administrative and Budgetary Aspects of Peacekeeping Operations

Note 10. United Nations escrow account established under the provisions of Security Council resolutions 706 (1991) and 778 (1992) (statement X)

(a) An escrow account administered by the Secretary-General was established by the United Nations in 1992 as provided for in Security Council resolutions 706 (1991) and 712 (1991). It was to consist of Iraqi funds from the sale of oil to be used for payment by the United Nations Compensation Commission, the full costs of carrying out the tasks authorized by section C of resolution 687 (1991), the full costs incurred by the United Nations in facilitating the return of all Kuwait property seized by Iraq, half the costs of the Boundary Commission, and the cost to the United Nations of implementing resolution 706 (1991) and of other necessary humanitarian activities in Iraq.

(b) With the refusal of Iraq to sell oil under the provisions of Security Council resolutions 706 (1991) and 712 (1991), the Security Council on 2 October 1992 adopted resolution 778 (1992) as an alternate means of providing funds for the various purposes specified. Member States in which there are petroleum products owned by Iraq or Member States with funds of the Government of Iraq representing the proceeds of petroleum sales, paid for by the purchaser after 6 August 1990, are required to transfer some or all of those funds to the escrow account. Additionally, in resolution 778 (1992) the Council urged Member States to contribute funds from other sources to the escrow account. All such funds transferred or contributed to the escrow account under the provisions of resolution 778 (1992) are to be transferred back to the accounts or States from which funds were provided, together with applicable interest, at such time as oil exports take place pursuant to the system provided in resolutions 706 (1991) and 712 (1991) and the escrow account receives funds from the proceeds of sale.

(c) As at 31 December 1995, frozen asset transfers and voluntary contributions to the escrow account totalled $417.7 million, as follows (in millions of United States dollars):

Australia	0.7
Canada	4.0
Denmark	4.0
European Community	38.3
Finland	0.6
France	0.3
Germany	1.6
Greece	0.3
Japan	7.2
Kuwait	27.1
Netherlands	24.1
New Zealand	0.1
Norway	0.4

Saudi Arabia	70.6
Sweden	12.3
Switzerland	0.3
United Kingdom	25.8
United States	200.0
Total	417.7

(d) In the financial reports of the 1992-1993 biennium, a cumulative amount of $2,384,231, representing the difference between imputed interest due to the suppliers of funds and the actual interest earned on cash balances, was treated as current income and interest income receivable of the escrow account. With effect from January 1994, this accounting treatment has been changed, and such interest is no longer treated as income and assets of the fund. This we consider to be a simpler and more appropriate accounting treatment.

Note 11. United Nations Compensation Commission (statement XI)

The Compensation Commission was established in 1991 in accordance with Security Council resolution 687 (1991) to administer the settlement of claims arising from any direct loss, damage or injury for which the Government of Iraq is held liable as a result of its invasion and occupation of Kuwait.

Note 12. Special account for activities approved under Security Council resolutions 687 (1991) and 706 (1991): other activities (statement XII)

The Security Council, in resolution 687 (1991), requested the Secretary-General to undertake certain tasks in connection with the situation between Iraq and Kuwait. The costs of those activities were to be considered as an advance pending the receipt of payments to the Organization by Iraq in respect of certain activities, and by Iraq and Kuwait jointly in respect of the costs of the Boundary Commission. With the adoption by the Security Council of resolution 778 (1992), most of those costs are being covered by transfers from the escrow account (see note 10 above).

Note 13. United Nations Central Emergency Revolving Fund (statement XIII)

The United Nations Central Emergency Revolving Fund was established by the Secretary-General in accordance with General Assembly resolution 46/182 of 19 December 1991. The Fund is financed by voluntary contributions. Its resources are to be used only for advances to United Nations organizations and entities in order to expedite their responses to requests for emergency assistance. Those advances are to be repaid to the Fund as a first charge against voluntary contributions received in respect of the particular emergency assistance programme.

Note 14. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia (statement XIV)

(a) By resolutions 808 (1993) and 827 (1993), the Security Council established the International Tribunal.

(b) The General Assembly, in its resolution 49/242 B of 20 July 1995, approved the funding for the 1994-1995 biennium, half from credits arising from previous budgets of the United Nations Protection Force and half from assessments on Member States in accordance with the regular budget scale of assessments for 1994 ($6,130,350) and for 1995 ($15,865,450).

Note 15. International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (statement XV)

(a) By resolution 955 (1994) the Security Council established the International Tribunal.

(b) In its resolution 49/251 of 20 July 1995, the General Assembly approved the funding for the period to 31 October 1995, half from credits arising from previous budgets of the United Nations Assistance Mission in Rwanda and half from assessments on Member States in accordance with the regular budget scale of assessments for 1995.

Note 16. Special accounts for programme support costs (statement XVI)

(a) Reimbursement for programme support costs is provided for in respect of extrabudgetary technical cooperation, administrative and substantive activities. The reimbursement is calculated as a percentage of the programme resources expended. The special accounts for programme support costs are shown separately from the extrabudgetary funds from which their income derives.

(b) Unliquidated obligations in respect of special accounts for programme support costs are accounted for on the same basis as for the programme budget.

(c) The special account for programme support costs of peacekeeping operations is now presented as statement XLV in volume II of the financial statements.

Note 17. Capital Assets Fund (statement XVII)

(a) Land and buildings are reported at original cost. No depreciation of buildings is provided for. Major improvements and extensions to existing buildings are reflected in the construction-in-progress fund and are capitalized when the projects are completed.

(b) The capital assets of the Organization comprise land and buildings (at cost) at the following locations (millions of United States dollars):

United Nations building, New York (original cost)	67.1	
Less: Cost of Library building razed in 1960	1.7	65.4
Dag Hammarskjöld Library building, New York		6.7
Land for permanent Headquarters site, New York		9.6
Extension of meeting rooms of north lawn and delegates dining facilities and staff cafeteria, New York		56.2
UNITAR building		10.7
Subtotal		148.6

Secretariat building and General Assembly Hall, Library building and villas, Geneva	12.3	
Modernization of Palais des Nations, Geneva	2.1	
Major maintenance, Geneva	6.7	
Extension of conference facilities, Geneva	47.7	68.8
United Nations accommodation at Nairobi		27.1
Land and structures, Addis Ababa, Mogadishu and Pusan		0.3
ECA building, Addis Ababa		7.5
United Nations building, Santiago		5.6
Documents Research Centre, Santiago		1.0
ESCAP building, Bangkok	8.7	
Less: Cost of Netherlands building razed in 1990	0.2	8.5
Total		267.4

Note 18. Projects of a multi-year nature (statement XVIII)

(a) Funds are appropriated from the United Nations regular budget for new construction and major improvements; the resulting expenditures are recorded and reported in separate construction accounts. The funds relating to these appropriations are transferred into a cash pool, which is administered at United Nations Headquarters, and these funds are accounted for in a separate set of construction accounts classified as "undistributed". From this cash pool, remittances are made to the respective field offices to meet construction-in-progress costs. Interest generated from investments and the related receivables and payables are reported in the "undistributed" balance sheet. The consolidated balance sheet shows the unremitted amounts as balances due to or due from the "undistributed" fund and the construction funds of the respective offices.

(b) The ECA and ESCAP construction projects were funded from appropriations of $107,576,900 and $44,177,700, respectively, from the United Nations regular budget. Additional funding of the ESCAP project consists of $4,362,300 of interest income earned on the Construction Fund bank balances.

(c) An initial loan of $6,000,000 from UNEP was used to fund the construction in Nairobi. The principal amount plus interest of $347,977 was transferred from rental income under Income section II of the United Nations regular budget to repay the loan. Similarly, $1,591,500 was transferred from Income section II of the United Nations regular budget to provide further funding of the construction in Nairobi.

(d) Any unexpended balances of appropriations in this fund are carried forward to the extent approved by the General Assembly into succeeding bienniums until the projects are completed.

(e) With the concurrence of the Advisory Committee on Administrative and Budgetary Questions, the accounting for the Integrated Management Information System (IMIS) is being carried out in a similar manner. The funding sources for IMIS include the United Nations regular budget, all active peacekeeping accounts and programme support accounts.

Note 19. United Nations Tax Equalization Fund (statement XIX)

This Fund was established under the provisions of General Assembly resolution 973 (X) of 15 December 1955 to equalize the net pay of all staff members whatever their national tax obligations. The Fund reports as income the staff assessment in respect of staff members financed under the regular budget and assessed peacekeeping operations. The Fund includes as expenditure the credits against the regular budget and peacekeeping assessments of Member States which do not levy taxes on the United Nations income of their nationals. Member States which do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes they have had to pay on their United Nations income. Such reimbursements for taxes paid are reported as expenditure by the Tax Equalization Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of the extrabudgetary fund concerned.

Note 20. Funds held-in-trust (statement XX)

(a) These funds account for resources set aside and disbursements for compensation payments under appendix D of the Staff Rules, reimbursements of claims made under the Medical Insurance Plan, payments to stabilize medical, dental and life insurance premiums of active and after-service personnel and for payment of liability claims and other costs associated with the general liability of the Organization. They also contain the accounts of certain self-insurance activities, such as the Geneva Staff Mutual Insurance Society against sickness and accident.

(b) Beginning in 1995, the reserves held by Aetna for the United Nations under the premium stabilization reserve, the extended liability/maternity reserve and the premium waiver reserve have been brought into the accounts as assets and reserves in the statement of assets, liabilities, reserves and fund balances.

Note 21. Special account for the sale of United Nations bonds (statement XXI)

Under the terms of General Assembly resolution 1739 (XVI) of 20 December 1961, the Secretary-General was authorized to issue bonds up to a total of $200 million, utilizing the proceeds of sale for purposes normally associated with the Working Capital Fund. He was also requested to include in the regular budget an amount sufficient to pay interest and instalments of principal, in accordance with the terms of the issue. A total of $169.9 million was realized from the sale of the bonds and utilized for UNEF (1956) and ONUC. The last payments of principal and interest were made to bond holders in the biennium 1988-1989, and the bond issue is now fully amortized.

Note 22. Liabilities for end-of-service and post-retirement benefits

(a) The United Nations has not specifically recognized in any of its financial accounts liabilities for after-service health insurance costs or the liabilities for other types of end-of-service payments, which will be owed when staff members leave the Organization. Such payments are budgeted for in the regular budget and in peacekeeping operations, and the actual costs incurred in each financial period when staff members terminate are reported as current expenditures.

(b) In order to gain a better understanding of the financial dimensions of the Organization's liabilities for after-service health insurance, a consulting actuary was engaged in 1995 to carry out an actuarial valuation of post-retirement health insurance benefits as at 1 January 1995. On the basis of that study, it has been estimated that the United Nations liability as at 1 January 1995 for after-service health insurance benefits covering all participants, regardless of funding source, is as follows:

	Present value of future benefits	Accrued liability
Gross liability	$1,416,887,000	$1,049,977,000
Offset from retiree contributions	345,431,000	263,138,000
Net liability	$1,062,456,000	$ 786,839,000

(c) The present value of future benefits figures shown above are the discounted values of all benefits to be paid in the future to all current retirees and active employees expected to retire in the future. The accrued liabilities represent those portions of the present values of benefits that have accrued from the staff members' dates of entry on duty until the valuation date. Active staff members' benefits are fully accrued when the staff members have reached their dates of full eligibility for benefits.

(d) Terminating staff members are entitled to be paid for any unused vacation days they may have accrued up to a maximum limit of 60 days. The Organization's total liability for such unpaid accrued vacation compensation is estimated to be between $100 million and $120 million.

(e) Some staff members are entitled to repatriation grants and related expenditures of relocation upon their termination from the Organization based on the number of years of service. The Organization's total liability for such unpaid repatriation and relocation entitlements is estimated to be between $80 million and $100 million.